

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY PAPER LAID	
DATE: 16 MAR 2023	DAY: Thursday
TABLED BY:	Deputy Majority leader
CLERK AT THE TABLE:	Joye Lemerele

OF

THE AUDITOR-GENERAL

ON

**AGRICULTURAL INFORMATION
RESOURCE CENTRE REVOLVING FUND**

**FOR THE YEAR ENDED
30 JUNE, 2022**



AGRICULTURAL INFORMATION RESOURCE CENTRE

REVOLVING FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE, 2022**

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, 2022**

Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

Table of Contents	Page
1. Key Entity Information and Management.....	ii
2. The Board Of Directors.....	v
3. Management Team	vi
4. Chairman’s Statement	vii
5. Report Of the Chief Executive Officer.....	viii
6. Statement Of Performance Against Predetermined Objectives for FY 2021/22.....	ix
7. Environmental And Sustainability Reporting	x
8. Statement Of Management Responsibilities	xiii
9. Report Of the Independent Auditor for Agricultural Information Resource Centre Revolving Fund.....	xiv
10. Statement Of Financial Performance for The Year Ended 30 June 2022	1
11 Statement of Financial Position As At 30 June 2022	2
12 Statement of Changes In Net Assets For The Year Ended 30 June 2022	3
13. Statement of Cash Flows For The Year Ended 30 June 2022	4
14. Statement of Comparison Of Budget and Actual Amounts For The Year Ended 30 June 2022.....	5
15. Notes to The Financial Statements	6
16. Appendix	23

1. 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

1. Josephine Mbeo	Director, AIRC
2. Richard Githaiga	Deputy Director Agricultural Information Resource Centre (A.I.R.C)
3. Lynette Kibisu	Business Development and Marketing Unit
4. Festus Njogu	Mass Media Services Unit (consists of Radio, Video and Publication sub-units)
5. Benjamin Maina	Procurement officer
6. Eric Adoyo	Principal Accountant

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Dr. F.O.Owino,PhD,CBS
2.	Director Airc	Josephine Mbeo
3.	Chief Finance Officer	CPA Tobias Osano
4.	Deputy Accountant General	CPA Charity Muriuki
5.	Principal Accountant	CPA Eric Onyango Adoyo

(e) Fiduciary Oversight Arrangements

Audit and finance committee activities

The Ministerial Audit Committee has been active vide Treasury Circular No.16/2005 dated 4th October, 2005 before introduction of PFM Act, 2012.

Parliamentary committee activities

The Ministry handled various issues both the National Assembly and the Senate of Parliament:-

National Assembly

- Statements
- Petitions
- Motions
- Workshops/Seminars
- Meetings with Departmental Committees

The petitions and Statements were requested through Parliament on behalf of Farmers, Groups or Organizations

(f) Entity Headquarters

Ministry of Agriculture Livestock and Fisheries
P.O Box 30028-00100
Cathedral Road
Telephone: +254-20-2718870
E-mail: info@kilimo.go.ke.
Nairobi, KENYA.

(g) Entity Contacts

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

(h) Entity Bankers

Kenya Commercial Bank Limited
Sarit Centre Branch
Nairobi, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

2. The Board of Directors

1 Macheru Karuku	Sustainable Environment and Agriculture Network (SEANet) International
2 Dr. Haron Mwangi ,PhD	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
7 Josephine Mbeo	Board Secretary

**Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

3. Management Team

1. Josephine Mbeo	Director, AIRC
3. Richard Githaiga	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. Benjamin Maina	Procurement Officer
7. Eric Adoyo	Principal Accountant

4. 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 2021/2022 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. Furthermore, 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 a 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.

5. Report of the Chief Executive Officer

In carrying out our duties, we have put all our efforts towards contributing effectively and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030, keeping in mind the specific priorities of the AIRC.

Bearing in mind the imperative of inclusivity, we have implement the following Strategic Intentions during the Financial Year Delivered AIRC services and products, Provided a vibrant AIRC ICT platform for collection, processing and sharing of agricultural information and knowledge resources for the attainment of national food and nutrition security

Provide skills and knowledge on communication, extension management and ICT4Ag to extension service providers and stakeholders. Provide services in a professional, transparent and accountable manner. Acknowledgement of receipt of correspondences and approval of requests are made within the timelines stipulated in the Citizen's Service Delivery Charter

6. Statement of Performance against Predetermined Objectives

Kenya Vision 2030 identifies agriculture as one of the key sectors under the economic pillar expected to drive the economy to the projected 10 percent economic growth annually. It has also been identified as one of the sectors that will drive the Big Four agenda aimed at achieving 100% food and nutrition security over the next five years. The sector is therefore central to the achievement of Vision 2030 goal of “a globally competitive and prosperous country with a high quality of life by 2030”.

The sector contribution to achievement of this goal will be through promotion of an innovative, commercially oriented and modern agriculture. The sector is also expected to deliver on Kenya’s regional and global commitments such as the Comprehensive Africa Agricultural Development Programme (CAADP), the Africa Agenda 2063 and Sustainable Development Goals (SDGs).

During MTP III period (2018-2022), agriculture is expected to grow at a rate of 7 percent annually resulting from planned strategies. The key strategic programmes targeted in MTP III include: Fertilizer subsidy; agricultural mechanization; food and nutrition security; youth and women empowerment in modern agriculture; crops insurance; crop diversification; strategic food reserve; large scale production; agricultural technology development; climate smart agriculture; market access and product development; traditional high value crops programme; and policy, legal and institutional reforms.

7 Environmental and Sustainability Reporting

Employee welfare

a) Policies guiding the hiring process considering the gender ratio stakeholder's engagement.

- i. Recruitment and selection is guided by the PSC Act Cap. 2017, Human Resources Procedures Manual, DPM Circulars, Labour Laws, Schemes of Service or career progression guidelines & PSC regulations 2020, pursuant to these guidelines MDAs are required to customize and domesticate these regulations develop and implement employment plans, review their recruitment policies to ensure that the mode of advertisement of job vacancies, pre-selection and conducting of interviews do not in any way disadvantage any particular group; and take deliberate measures including targeted advertisements to bring on board marginalized groups and take into account the gender ratio regional balance and PWD. Policies are reviewed from time to time and stakeholders are engaged during these reviews.
- ii. **Human Resource Policies and Procedures 2016**
 - Recruitment will be undertaken on the basis of fair competition and merit; representation of Kenya's diverse communities; adequate and equal opportunities to all gender, youth, members of all ethnic groups, persons with disabilities and minorities.
 - Persons with disability shall be accorded equal opportunities for employment provided they have the necessary qualifications and are suitable for such employment. The government shall implement the principle that at least five (5) percent of all appointments shall be for persons with disabilities.

b) Efforts made in improving skills and managing careers, appraisals and reward systems

Section H of Human Resource Manual and Procedures States that;

- The Government policy on training is to ensure continuous upgrading of Public Servant's core competencies, knowledge, skills and attitudes including their ability to assimilate technology to enable them create and seize opportunities for social advancement, economic growth and individual fulfilment.
- Training needs analysis is carried out every two years while training projections are carried out annually it is the outcome of these reports that informs the decisions of the Ministerial Human Resource Managerial and Advisory Committee and the Public Service Commission on skills Development. The approved programmes should address national, organizational and individual goals and should be demand driven.
- The government continually develop its employees' professional knowledge and skills and encourage them to join relevant professional bodies. The Government has established mechanisms for supporting employees where the career guidelines require them to be members of a professional body.
- Authorized Officers are expected to develop, update and maintain skills inventory for all officers in their respective State Departments for purposes of identifying the available, and the required skills. The inventory will guide the training, recruitment and succession management decisions.

c. Performance Appraisal System

- G.1 A Performance Appraisal System is a systematic process for getting better results from an organization, teams and individuals by managing performance within an agreed framework of planned goals, objectives and standards. It is a set of tools, processes and actions that allows for maximization of the performance of employees and institutions. (2) it also provides employees with a clear understanding of job expectations; regular feedback about performance; and sanctions for poor performance. The overall goal of a PMS is to measure employee performance and ultimately the achievement of intended results for the organization, in order to reward performance and sanction under performance.
- High performance Employees are rewarded through wages and benefits i.e thirteenth (13th) salary, recognition/commendation certificates, to give legal motivation which lead to high performance and productivity.

d. Compliance with Occupation Safety and Health Act of 2007 (OSHA)

Human Resource Policies and Procedures 2016

Pursuant to the OSHA Act 2007, Human Resource Policies, authorized officers are required to enforce the following regulations, under the provisions of the OSHA Act to ensure compliance.

- Section F.1 provides guidelines and standards for the prevention and protection of officers against accidents and occupational hazards arising at the work place. It also provides for guidelines, procedures and modalities for the administration and payment of compensation for work related injuries and accidents and diseases contracted during and outside the course of work.
- F.2(1) Authorized Officers maintains healthy and safe working environments for officers under their respective State Departments. (2) All officers have their responsibility to ensure safety to themselves and others when performing their duties.
- F.5(1) The Principal Fire Officer and the County Fire Officers are responsible for providing advice on all matters concerning fire prevention, firefighting, fire protection and fire demonstrations in all Government premises.
- F.8 Authorized Officers shall ensure that all officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

These requirements are also captured in the State Department's respective performance contracts, as part of the enforcement mechanism

8 Statement of Management 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, 2021. 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.

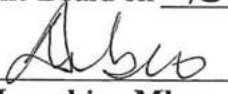
The Director accepts responsibility for the Agricultural Information Resource Centre Revolving Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting 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, 2022 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.

**Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

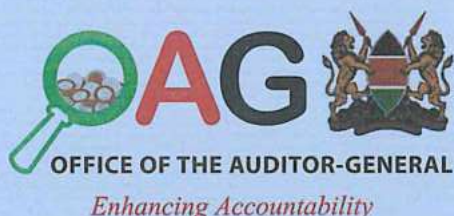
Approval of the financial statements

The Agricultural Information Resource Centre Revolving Fund financial statements were approved by the Board on 13/01/2023 ~~2022~~ and signed on its behalf by:


Josephine Mbeo
Director

REPUBLIC OF KENYA

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



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, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Agricultural Information Resource Centre Revolving Fund set out on pages 1 to 25, which comprise of the

statement of financial position as at 30 June, 2022, 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 the Agricultural Information Resource Centre Revolving Fund as at 30 June, 2022, 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. Inaccuracies in the Financial Statements Amounts and Balances

Review of the financial statements submitted for audit revealed the following inaccuracies:

- i. Note 8 to the financial statements reflects internet connection expenses of Kshs.654,288 out of which VAT payment of Kshs.7,569 is recorded as Kshs.75,680 resulting to overstatement of the expenditure by Kshs.68,111.
- ii. The statement of financial performance reflects expenditure on purchase of goods and services of Kshs.2,475,395 while the corresponding Note 4 to the financial statements reflects an amount of Kshs.2,575,395 resulting to unreconciled variance of Kshs.100,000.
- iii. The statement of cash flows reflects cash out flows from financing activities being Government Grants of Kshs.504,999 whose details were not provided.
- iv. The statement of changes in net assets reflects opening capital replacement development reserve balance of Kshs.10,881,738 as at 1 July, 2021. However, audited financial statements for the previous year reflected a balance of Kshs.9,282,448 as at 1 July, 2020 resulting to unreconciled variance of Kshs.1,599,290.

Consequently, the accuracy and fair presentation of the financial statements could not be confirmed.

2. Understatement of Property Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment net book balance of Kshs.336,683. The balance excludes fully depreciated assets with total original cost of Kshs.38,347,572. However, the assets were still in use but have not been revalued.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.336,683 could not be confirmed.

3. Inaccurate Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.923,285 and a comparative balance of Kshs.809,219. However, and as previously reported, the comparative balance was the amount as per the bank statement and not the cash book balance of Kshs.277,052. No adjustment to correct the misstatement has been made. Further, reflected in the bank reconciliation statement for the month of June, 2022 is unbanked cash amount of Kshs.18,000 which management explained was as a result of an amount of Kshs.102,000 being recorded as Kshs.120,000. No explanation was provided by Management for failure to adjust the cashbook accordingly.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.923,285 could not be confirmed.

4. Unsupported Receivables from Exchange Transactions Balance

The statement of financial position and Note 11 to the financial statements reflects receivables from exchange transactions balance of Kshs.7,804,209. Review of the debtors ageing analysis revealed that debtors amounting to Kshs.7,316,169 have been outstanding for more than one (1) year. No provision for bad and doubtful debts has been made for the outstanding debts and Management has not provided evidence of efforts made to collect the debts.

Further, the receivables balances were not supported with relevant documents including individual debtors' statements and contract documents.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.7,804,209 could not be confirmed.

5. Long Outstanding Current Liabilities

The statement of financial position and Note 17 to the financial statements reflects current liabilities balance of Kshs.1,498,598. Review of the supporting ledger revealed that the payables have been long outstanding with some dating as far back as the financial year 2017/2018 for which none of the creditors has laid claim on the amounts. The Management did not explain why these payables have remained unpaid.

In the circumstances, the accuracy and existence of the current liabilities balance of Kshs.1,498,598 could not be confirmed.

6. Unsupported Employee Costs

The statement of financial performance and Note 5 to the financial statements reflects employee costs of Kshs.38,894,500 which relate to payments of daily subsistence allowances. Included in the expenditure are payments amounting to Kshs.36,762,800 made to facilitators and trainees involved in generating baseline data for livestock

masterplan development at ward level for the state department for livestock. However, the expenditure was not supported with signed daily attendance registers, as evidence of the occurrence of the activities.

In the circumstances, the propriety, accuracy and completeness of the daily subsistence allowances expenditure amounting to Kshs.38,894,500 could not be confirmed.

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. There were no key audit matters to report in the year under review.

Other Matter

Failure to Disclose Material Uncertainty in Relation to Sustainability of Services

The statement of financial performance reflects a deficit of Kshs.820,932 resulting into an accumulated deficit of Kshs.2,216,159. This material uncertainty casts significant doubt on the Fund's ability to continue to sustain its services and may face challenges in settling obligations as and when they may fall due.

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, 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, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Lack of Approved and Balanced Budget

The statement of comparison of budget and actual amounts reflects total budgeted income and expenditure of Kshs.41,400,000 and Kshs.23,419,036 respectively. However, the amounts were not supported with the approved budget. Further, the statement

reflects actual expenditure of Kshs.54,676,672 resulting to an over expenditure of Kshs.31,257,636 contrary to the provisions of regulation 33 of Public Finance Management (National government) Regulations, 2015 which provides that unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, the expenditure entered in national government budget estimates shall be authorised for one financial year only and that budget shall be balanced.

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

2. Non-Adherence to the Provisions of the Public Procurement Regulations

Review of the procurement plan provided for audit revealed the following anomalies:

- (i) The procurement plan was not approved by the Accounting Officer as required by regulation 40(4) of the Public Procurement and Asset Disposal Regulations, 2020.
- (ii) There was no evidence that the annual departmental procurement plans were submitted to the Accounting Officer by heads of user departments prior to the commencement of the financial year as stipulated in Section 40(3) of the Public Procurement and Asset Disposal Regulations, 2020.
- (iii) The entity did not give evidence of preparation and submission of monthly progress reports of all procurement contracts as prepared by the head of procurement function and submitted to the Accounting Officer and to the Cabinet Secretary, of quarterly reports on implementation of the annual procurement plan.
- (iv) The annual procurement plan was not prepared in accordance with the format set out in the Third Schedule of the Public Procurement and Asset Disposal Regulations, 2020 indicating planned dates against execution dates and the variances. Further, key execution dates for the planned procurements such as tender advertisement, evaluation, and notification of award and actual award, date of contract signing was not stated.

In the circumstances, Management was in breach of the 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, because of the significance of the matters discussed in the Basis for Adverse Opinion, 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, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Appoint Members to the Board of Directors

Section 2, page (V) of the financial statement lists seven (7) persons including the entity's director as being members of the Board of Directors. However, review of records revealed that the entity does not have a duly appointed and functional Board. The Fund therefore lacks the governance structure as prescribed in the Exchequer and Audit (Agricultural Information Resource Centre Revolving Fund) Regulations, 1993.

In the circumstances, risk management and governance structures were not effective.

2. Internal Controls Weaknesses

An assessment of the Fund's internal control environment revealed that the Fund did not have an internal audit function to continuously monitor implementation of internal controls and no evidence was provided to confirm that internal audit activities were performed on the Fund. Further, during the year under review the Fund did not have a documented risk management policy and did not perform any risk assessments. In addition, the Fund Management has not established a disaster recovery/business continuity plan.

In the circumstances, the Fund's internal controls were not effective.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires 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.

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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material

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

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

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

Auditor-General's Responsibilities for the Audit

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 controls 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls.
- 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 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 controls that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 January, 2023

Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

10 Statement of Financial Performance for the year ended 30 June 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from exchange transactions			
Rendering of services	3	43,855,740	16,020,790
Revenue from non-exchange transactions			
Other income		10,000,000	1,879,116
Total revenue		53,855,740	17,899,906
Expenses			
Purchase of goods and services	4	2,475,395	1,842,983
Employee costs	5	38,894,500	6,164,816
Depreciation and amortization expense	6	168,317	1,539,640
Repairs and maintenance	7	221,174	262,634
General Expenses	8	12,917,286	9,485,060
Board Allowances	9	0	0
Total expenses		54,676,672	19,295,133
Surplus for the year		(820,932)	(1,395,227)

The Financial Statements set out on pages 1 to 22 were signed on behalf of the Fund by:

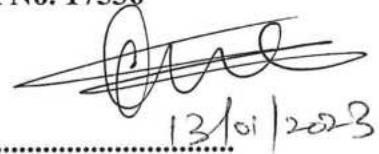
Kello Harsama
Principal Secretary

CPA Eric O. Adoyo
Principal Accountant
ICPAK No. 17536

Date.....


13/01/2023

Date.....


13/01/2023

Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

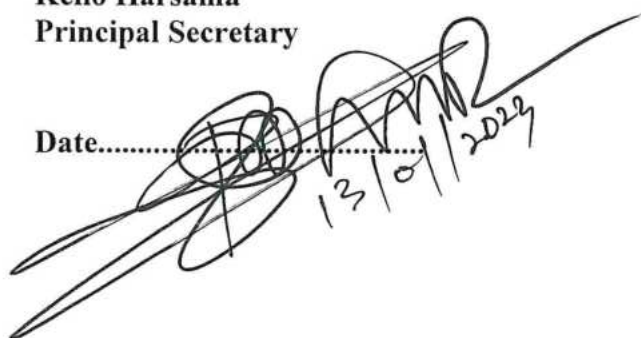
11 Statement of Financial Position as at 30 June 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	10	923,285	809,219
Receivables from exchange transactions	11	7,804,209	9,381,959
Receivables from non-exchange transactions			
Inventories	12	1,100,000	1,200,000
		9,827,494	11,391,178
Non-current assets			
Property, plant and equipment	13	336,683	0
Total assets		10,164,177	11,391,178
Liabilities			
Current liabilities	17	1,498,598	1,904,667
Non-current liabilities			-
Total liabilities		1,498,598	1,904,667
Net assets		8,665,579	9,486,511
Capital replacement devt reserve		10,881,738	10,881,738
Accumulated surplus		(2,216,159)	(1,395,228.00)
Total net assets and liabilities		8,665,579.00	9,486,511.00

The Financial Statements set out on pages 1 to 22 were signed on behalf of the Fund by:

Kello Harsama
Principal Secretary

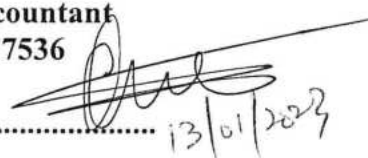
Date.....



13/01/2022

CPA Eric O. Adoyo
Principal Accountant
ICPAK No. 17536

Date.....



13/01/2022

Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

12 Statement of Changes in Net Assets for the year ended 30 June 2022

	Capital replacement development reserve	Accumulated Surplus	Total
At July 1, 2020	10,348,571.		10,348,571
Depreciation reserve			
Surplus /Deficit for the period		(1,395,227.)	(1,395,227)
Transfers to/from accumulated surplus			
At June 30, 2021	10,881,738	(1,395,227)	8,954,344
At July 1, 2021	10,881,738	(1,395,227)	9,486,511
Depreciation reserve			
Surplus /Deficit for the period		(820,932)	(820,932)
Transfers to/from accumulated surplus			
Depreciation reserve			
At June 30,2022	10,881,738	(2,216,159)	8,665,579

Note:

- 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.*
- 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.*

**Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

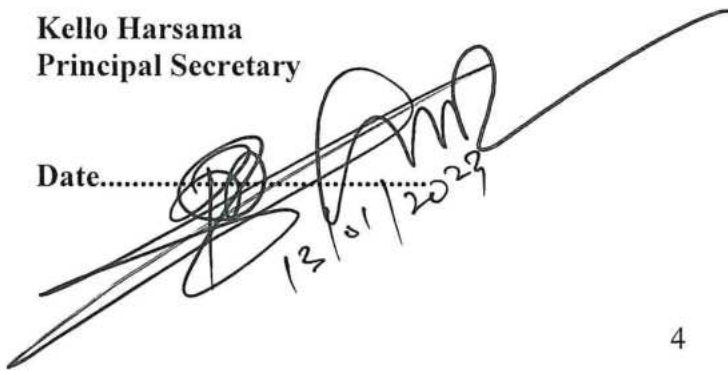
13. Statement of Cash Flows for the year ended 30 June 2022

		2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Rendering of services	3	43,855,740	17,899,904
Other income		10,000,000	
Total Receipts		53,855,740	17,899,904
Payments			
Compensation of employees	5	38,894,500	6,164,816
Purchase of Goods and services	4	2,475,395	1,842,983
General Expenses	8	12,917,286	9,485,060
Repair and Maintenance	7	221,174	262,635
Total Payments		54,508,355	17,371,182
Net cash flows from operating activities	14	(652,615)	528,722
Cash flows from investing activities			
Decrease in Stock		100,000	398,651
Decrease in Debtors		1,577,750	811,840
Decrease in Creditors		(406,069)	
Net cash flows used in investing activities		1,271,681	1,210,491
Cash flows from financing activities			
Government Grants		(504,999)	(584,635)
Net cash flows used in financing activities		(504,999)	(584,635)
Net increase/(decrease) in cash and cash equivalents		114,066	625,856
Cash and cash equivalents at 1 JULY 2021		809,219	183,363
Cash and cash equivalents at 30 JUNE 2022		923,285	809,219

The Financial Statements set out on pages 1 to 22 were signed on behalf of the Fund by:

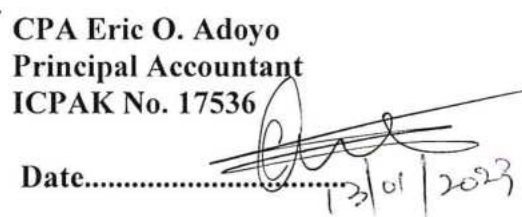
Kello Harsama
Principal Secretary

Date.....


13/01/2023

CPA Eric O. Adoyo
Principal Accountant
ICPAK No. 17536

Date.....


13/01/2023

Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

14. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2022

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference	
	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs
Revenue										
Income from rendering of services	41,400,000		-		41,400,000		43,855,740		(2,455,740)	
Other income(non-exchange transaction)	-		-		-		10,000,000		(10,000,000.00)	
Total income	41,400,000		-		41,400,000		53,855,740		(12,455,740)	
Expenses										
Employee costs	3,113,000		-		3,113,000		38,894,500		(35,781,500)	
General expenses	17,893,086.		-		17,893,086		12,917,286		4,975,800	
Purchase of goods and services	1,623,150		-		1,623,150		2,475,395		(852,545)	
Repairs and maintenance	789,800		-		789,800		221,174		568,625	
Depreciation and amortization							168,317			
Total expenditure	23,419,036		-		23,419,036		54,676,672		(31,089,319)	
Surplus for the period	17,980,964		-		17,980,964		(820,932)		(43,545,059)	

15. 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.

Notes to the Financial Statements (Continued)

Sale of goods

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

b) 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

Notes to the Financial Statements (Continued)

c) 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.

d) 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.

Notes to the Financial Statements (Continued)

d) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

e) 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.

Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

Notes to the Financial Statements (Continued)

f) 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 imp rests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Notes to the Financial Statements (Continued)

g) Comparative figures

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

3. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Notes to the Financial Statements (Continued)

Useful lives and residual value

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

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

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.

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

Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

- Intangible assets are amortized over a period of three years
- Assets bought in June or at the end of the financial are not depreciated

Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

Notes to the Financial Statements (Continued)

3 RENDERING OF SERVICES

Description	2021-2022	2020-2021
	KShs	KShs
Revenue from Radio, Video ,desktop publishing and Training unit	43,855,740	17,899,904
Revenue from Non exchange transaction	10,000,000	
Total revenue	53,855,740	17,899,904

Note:

The fund received an amount of kshs: 10,000,000 from state department of crop production &Agricultural research in the month of July, 2022.

4 PURCHASE OF GOODS AND SERVICES

Description	2021-2022	2020-2021
	KShs	KShs
Opening Stock	1,200,000	3,087,980
Add; Production Material Purchased		
Food and Ration	1,467,545	983,283
Printing Materials	1,007,850	415,700
Photographic Materials	0	444,000
Total Production Materials	2,475,395	1,842,983
Less: Closing Stock	(1,100,000)	(1,200,000)
Total Production Materials Used	2,575,395	3,730,963

5 EMPLOYEE COSTS

	2021-2022	2020-2021
	KShs	KShs
Casual Workers' Wages	0	1,938,766
Daily Subsistence Allowance	38,894,500	4,226,050
Total employee costs	38,894,500	6,164,816

**Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2021-2022	2020-2021
	KShs	KShs
Property, plant and equipment	168,317	1,539,640
Total depreciation and amortization	168,317	1,539,640

7 REPAIRS AND MAINTENANCE

Description	2021-2022	2020-2021
	KShs	KShs
Maintenances of station	0	0
Maintenances of Plant and Equipment	45,800	97,692
Maintenances of Motor Vehicles	175,374	164,942
Total repairs and maintenance	221,174	262,634

8 GENERAL EXPENSES

Description	2021-2022	2020-2021
	KShs	KShs
Board ,seminars and conference	10,631,520	166,640
Refined Fuel & Lubricant	17,000	31,550
Advertising &publicity	0	6,400,000
Contracted Services (Security Guards)	0	172,200
Bank Charges	115,681	5,581
Stationary Expenses	1,301,899	2,113,480
Internet connection	654,288	46,620
Contracted Professional services	0	0
Sanitary and cleaning material	43,300	266,719
Gas	110,548	76,670
Water and Sewerage Services	43,050	16,500
Courier and Postage Services	0	0
Computer	0	189,100
Total general expenses	12,917,286	9,485,060

Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 BOARD ALLOWANCE

Description	2021-2022	2020-2021
	KShs	KShs
Board Allowance	-	-
Total Board Allowance	-	-

10 CASH AND CASH EQUIVALENTS

Description	2021-2022	2020-2021
	KShs	KShs
Current account	923,285	809,219
Total cash and cash equivalents	923,285	809,219

11 RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2021-2022	2020-2021
	KShs	KShs
Current receivables		
Other exchange debtors	7,804,209	9,381,959
Receivables from non-exchange transaction		
Total current receivables	7,804,20	9,381,959

12 INVENTORIES

Description	2021-2022	2020-2021
	KShs	KShs
Other goods held for resale	1,100,000	1,200,000
Total inventories at the lower of cost and net realizable value	1,100,000	1,200,000

Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Furniture and Fittings	Computers	Plant and Machinery	Total
Cost	Shs	Shs	Shs	Shs	Shs
At 1 July 2020	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
At 30th June 2021	4,000,000	1,964,460	19,442,287	12,940,852	38,347,572
Additions	0	0	505,000	0	505,000
Disposals	0	0	0	0	0
Transfer/adjustments	0	0	0	0	0
At 30th June 2022	4,000,000	1,964,460	19,947,287	12,940,852	38,852,572
Depreciation and impairment					
At 1 July 2020	4,000,000	1,718,903	19,442,287	11,646,767	36,807,956
Depreciation		245,558.00		1,294,085	1,539,643
Impairment	-	-	-	-	-
At 30 June 2021	4,000,000	1,964,460.00	19,442,287	12,940,852	38,347,599
Depreciation	0	0	168,317	0	168,317
Disposals	0	0	0	0	0
Impairment	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0
At 30th June 2022	4,000,000	1,964,460	19,610,604	12,940,852	38,515,916
Net book values				0	0
At 30th June 2022	-	-	336,683	-	336,683
At 30th June 2021	0	0	-	0	0

Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 CASH GENERATED FROM OPERATIONS

	2021-2022	2020-2021
	KShs	KShs
Surplus/Deficit for the year before tax	(820,932)	(1,010,916)
Adjusted for:		
Depreciation	168,317	1,539,640
	(652,615)	528,724

15 CAPITAL FUND

	2021-2022	2020-2021
	KShs	KShs
Capital replacement development reserve	9,486,511	10,881,738
Adjusted for:		
Surplus/Deficit for the year	(820,932)	(1,395,227)
	8,665,579	9,486,511

**Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

16. Explanation of Variances between budgets and Actual 2020-2021

	Final budget 2020-2021	Actual on comparable basis 2021-2022	%	Explanation
Revenue	Kshs	Kshs		
Radio Unit	1,400,000	-	0%	The cost of radio is expensive compared to other electronic media thus decline in clients
Video Unit	12,200,000	-	0%	This was as result of less of no video coverage in the year and also effects of devolution
Publication Unit	13,600,000	1,023,750	7.5%	There was less printing works in the centre
Training Unit	14,200,000	42,831,990	201%	There was high number trainings
Other income		10,000,000		
Total income	41,400,000	53,855,740	68%	
Expenses	-			
casual	145,200	0	0%	The centre utilised allocation from state department of Crop and Research
electri	240,000	0	0%	The centre utilised allocation from state department of Crop and Research
Water and sewerage charges	1,360,000	45,050	3%	There was no wastage courtesy of leakage etc
Computer and computer accessories	210,000	0	0%	The centre utilised allocation from state department of Crop and Research
Cooking Gas	400,000	110,548	27%	The cooking of tea was centralised
Telephone	60,000		0%	
Internet connection	300,000	684,288.40	228%	The centre utilised allocation from state department of Crop and Research

Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

Postal and telegram	360,000	0	0%	The centre did not incur expenses on postal and telegram
Official entertainment	144,000	0	0%	The centre did not incur expenses on postal and telegram
Daily subsistence allowance	3,113,000	38,894,500	-49%	The centre utilised allocation from state department Livestock
Publishing and Printing Expenses	7,568,000	1,007,850	13%	The centre printed as number of consumables
Board allowance	240,000	0	0%	The centre incurred nil amount on board allowances
Supplies for broadcasting	144,000	0	0%	The centre utilised allocation from state department of Crop and Research
Purchase of Food and ration	615,000	1,467,545	238%	The centre utilised allocation from state department of Crop and Research
Photographic material	4,888,000	0	0%	The centre did not incur expenses on photographic material
General office supplies (papers,pencils, etc)	831,000	1,301,899	156%	The centre utilised allocation from state department of Crop and Research
Sanitary and Cleaning Materials	325,800	43,300	13%	The demand for sanitary items were low.
Refined Fuel and Lubricants for Transport	1,065,000	17,000	1.5%	The centre utilised allocation from state department of Crop and Research
Depreciation & Amortization	0	168,317	15%	The institution acquired a new a computer in the year under review
Bank charges	475,000	221,124.40	46%	The was high number of bank transaction
Conference & seminars	189,000	10,631,520	12%	The centre utilised allocation from state department of Crop and Research
Maintenance Expenses - motor vehicles	744,000	175,374.25	23%	The centre incurred less amount on maintenance since the vehicle was in good condition

**Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

Maintenance of plant machinery and equipment	810,000	0	0%	The centre did not incur expenses on maintenance of plant machinery and equipment
Maintenance of buildings and stations	2,938,000	45,800	1.5%	Few maintenance works took place
Total expenditure	30,604,000	54,676,672.00		
Surplus for the period	10,796,000	(820,932.00)		

17. CURRENT LIABILITIES

	2021-2022	2020-2021
	KShs	KShs
Creditors	1,498,598	1,904,667
Total creditors	1,498,598	1,904,667

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

Kello Harsama
Principal Secretary.

CPA Eric O. Adoyo
Principal Accountant
ICPAK No. 17536

Date.....
13/01/2023

Date.....
13/01/2023

**Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

**Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

16 APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

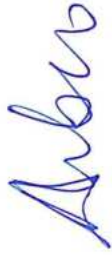
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1389	Employee cost	Master roll have been updated. Supporting schedules have been updated	Josephine Mbeo	Not resolved	Waiting for PACS recommendation
1390	Property, Plant & Equipment	Anomalies has been restated in the F/S for the 2020/21 year	Josephine Mbeo	Not resolved	Waiting for PACS recommendation
1391	IMPREST	Outstanding imprest of 436,640 has been fully surrendered	Josephine Mbeo	Not resolved	Waiting for PACS recommendation
1392	Financial Statements and Trial balance	Anomalies has been restated in the F/S for the 2020/21 year	Josephine Mbeo	Not resolved	Waiting for PACS recommendation
1393	Inaccuracy of financial statement	Anomalies has been restated in the F/S for the 2020/21 year	Josephine Mbeo	Not resolved	Waiting for PACS recommendation

**Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1394	Statement of changes in Net Assets	Anomalies has been restated in the F/S for the 2020/21 year	Josephine Mbeo	Not resolved	Waiting for PACS recommendation
1395	Statement of Cash Flows	Anomalies has been restated in the F/S for the 2020/21 year	Josephine Mbeo	Not resolved	Waiting for PACS recommendation
1396	Statement of Comparison of budget and Actual amounts	Anomalies has been restated in the F/S for the 2020/21 year	Josephine Mbeo	Not resolved	Waiting for PACS recommendation
1397	Comparative Year Figures	Anomalies has been restated in the F/S for the 2020/21 year	Josephine Mbeo	Not resolved	Waiting for PACS recommendation
1398	Unresolved prior year matters	A number of issues have been resolved in Public Accounts Committee	Josephine Mbeo	Not resolved	Waiting for PACS recommendation
1399	Engagement of Casual Employees	No declared vacancies. AIRC urgently needed casual workers If vacancy arises	Josephine Mbeo	Not resolved	Waiting for PACS recommendation

Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022



Director (Agricultural Information Resource Centre)

Date... 13/01/2023.....

**Agricultural Information Resource Centre Revolving Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**
