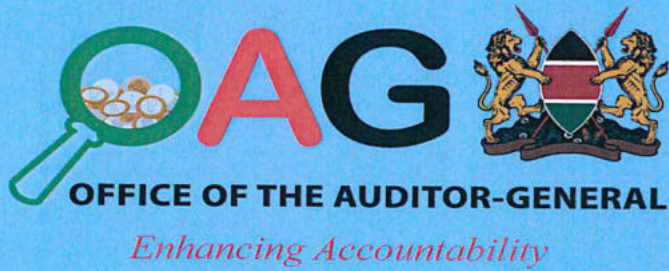


REPUBLIC OF KENYA



**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 23 MAR 2023

DAY:  
THURSDAY

**OF**

TABLED  
BY:

MAJORITY LEADER

CLERK-AT  
THE-TABLE:

**THE AUDITOR-GENERAL**

**ON**

**STRENGTHENING FERTILIZER QUALITY  
AND REGULATORY STANDARDS IN KENYA  
PROJECT (AGRA GRANT NO. 2013 SHP 001)**

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

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



*Revised Template 30/6/2022*



**PROJECT NAME: STRENGTHENING FERTILIZER QUALITY AND REGULATORY  
STANDARDS IN KENYA PROJECT.**

**IMPLEMENTING ENTITY: STATE DEPARTMENT FOR CROP DEVELOPMENT  
AND AGRICULTURAL RESEARCH.**

**PROJECT GRANT/CREDIT NUMBER: AGRA GRANT NO.2013 SHP001**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2022**

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*Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project*  
*Annual Report and Financial Statements for the financial year ended June 30, 2022*

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*Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

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*Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

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1. Project Information and Overall Performance

1.1 Name and registered office

**Name**

The project's official name is Strengthening Fertilizer Quality & Regulatory Standards in Kenya Project

**Objective**

The key objective of the project is:

- To establish a legal and regulatory framework for fertilizer quality
- To increase awareness of new fertilizer act among stakeholders and,
- To strengthen human and institutional capacity to enforce fertilizer policy regulations

**Address:**

The project headquarters offices are:

Kilimo House, Cathedral Road,  
P.O Box 30028-00100,  
NAIROBI

**Contacts;**

**Telephone:** (020) 2718870/9

**E-mail:** [psagriculture@kilimo.go.ke](mailto:psagriculture@kilimo.go.ke)

**Website:** [www.agriculture.go.ke](http://www.agriculture.go.ke)

*Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project  
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Project information and overall performance (continued)

1.2 Project Information

Project Start Date:	The project start date is 01/01/ 2015
Project End Date:	The project end date is 30/06/2018
Project Manager:	The project manager is Mrs Rebecca Githaiga
Project Sponsor:	The project sponsor is AGRA

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Agriculture, Livestock & Fisheries (State Department For crop development and Agricultural Research).
Project number	2013 SHP 001
Strategic goals of the project	The strategic goals of the project are as follows: Improve fertilizer Quality Standards
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Organise Workshops (ii) Develop training materials and undertake training
Other important background information of the project	The project overall goal is to increase crop productivity
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: Improve awareness of fertilizer laws to stakeholders
Project duration	The project started on 1st January 2015 and is expected to run until 30 June 2018

**Project Information and Overall Performance (Continued)**

**1.4 Bankers**

The following are the bankers for the current year:

- a. Central Bank of Kenya-Account No.1000220837

**1.5 Auditors**

The project is audited by the

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

**1.6 Roles and Responsibilities**

List the different people who will be working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

**Roles and Responsibilities**

List the different people who will be working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

<b>Names</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>
Rebecca Githaiga	Asst. Director of Agriculture	Msc Entrepreneurship	Project manager
Edwin .O. Oseko	Principal Agriculture officer	Bsc Agri Economics	D/Project manager
Simon Mucigiri	Principal Agriculture officer	Bsci Agri.economics	Coordinator monitoring and evaluation
Mugambi Micubu	Stds .Officer	BSC Horticulture	Coordinator policy
Catherine Njeri Kibunja	D/Director of Agriculture	Phd in soil Microbiology	Coordinator Soil Fertility



*Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

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Catherine Mutuku	Asst. Office Administrator	Diploma in Secretarial	Secretary
Mercy W.Gitu	Senior Accountant	C.P.A. K	Accountant

**1.7 Funding summary**

The Project is for duration of 3 years from 2015 to 2018 with an approved budget of US\$ 499,790 equivalent to Kshs 42,482,150 as highlighted in the table below:

*Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

Project information and overall performance (continued)

Below is the funding summary:

**A. Source of Funds**

Source of funds	Donor Commitment-		Amount received to date (30 June 2022)		Undrawn balance to date	
	Donor currency (A)	Kshs (A')	Donor currency Kshs (B)	Kshs (B')	Donor currency Kshs (A)-(B)	Kshs (A)-(B)
(i) Grant						
Alliance of Green Revolution in Africa	499,790	42,482,150	421,851	38,216,863	77,939	7,315,321.75
<b>Total</b>	<b>499,790</b>	<b>42,482,150</b>	<b>421,851</b>	<b>38,216,863</b>	<b>77,939</b>	<b>7,315,321.75</b>

*Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date (30 <sup>th</sup> June 2022)	Cumulative amount paid to date (30 <sup>th</sup> June 2022)	Unutilised balance to date (30 <sup>th</sup> June 2022)
	Donor currency	US\$	Donor currency
	(A)	(B)	(A)-(B)
(i) Grant			
Alliance of Green Revolution in Africa	421,851	38,216,863	77,939
<b>Total</b>	<b>421,851</b>	<b>38,216,863</b>	<b>77,939</b>
			7,315,322
			7,315,322

Project information and overall performance (continued)

*1.8 Summary of Overall Project Performance:*

*The project achieved most of the objectives*

*There were challenges with the procurement process that took long affecting the project timelines.*

*1.9 Summary of Project Compliance:*

- i) The project did not have compliance issues.*

## **2. Performance against Predetermined Objectives**

### **Introduction**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

### **Progress on attainment of Strategic development objectives**

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

Below we provide the progress on attaining the stated objectives:

*Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

Project	Objective	Outcome	Indicator	Performance
Strengthening Fertilizer Quality and Regulatory Standard in Kenya.	To improve crop productivity and incomes of smallholder farmers.	Increased crop productivity for smallholder farmers	High crop production.	Increased crop productivity for smallholder farmers.

*(Customize as per the project objectives)*

## **2. Environmental and Sustainability reporting**

The Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

### **1. Sustainability strategy and profile**

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

### **2. Environmental performance**

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

### **3. Employee welfare**

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA)

### **4. Market place practices-**

#### **a) Responsible Supply chain and supplier relations-**

By following the procedures and regulations outlined in the PFM and procurement act.

#### **b) Responsible ethical practices**

By following the planned budget and making sure that payments are done on time.

#### **c) Regulatory impact assessment**

The advertisements are done following the guidelines of the government regulations.

*Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project*  
*Annual Report and Financial Statements for the financial year ended June 30, 2022*

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**5. Community Engagements**

Give evidence of community engagement including charitable giving (cash & material), community social investment and any other forms of community.

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### **3. Statement of Project Management responsibilities**

The **Principal Secretary** for the State Department for the Crop Development and Agricultural Research and the **Project Coordinator** for The Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2022.

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

The Principal Secretary for the State Department for the Crop Development and Agricultural Research and the Project Coordinator for The Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the State Department for the Crop Development and Agricultural Research the Project Coordinator for The Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2022, and of the Project's financial position as at that date. The Principal Secretary for Department for the Crop Development and Agricultural Research and the Project Coordinator for The Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project further confirm the completeness of the accounting records maintained for the

***Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project  
Annual Report and Financial Statements for the financial year ended June 30, 2022***


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Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

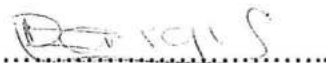
The Principal Secretary for the State Department for the Crop Development and the Project Coordinator for The Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Project Financial Statements**

The Project financial statements were approved by the Principal Secretary for the State Department for the Crop Development and Agricultural Research and the Project Coordinator for The Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project on 20/08 2022 and signed by them.



Name  
Principal Secretary



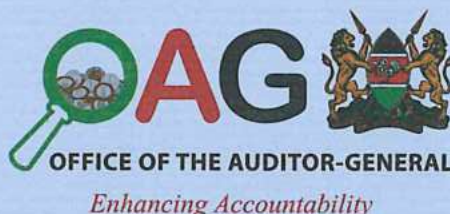
Name GIRITHICIA DEBECCA  
Project Coordinator



Name MARY GITHY  
Project Accountant  
ICPAK Member No: 20360

# 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 STRENGTHENING FERTILIZER QUALITY AND REGULATORY STANDARDS IN KENYA PROJECT (AGRA GRANT NO. 2013 SHP 001) FOR THE YEAR ENDED 30 JUNE, 2022 - STATE DEPARTMENT FOR CROP DEVELOPMENT AND AGRICULTURAL RESEARCH**

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### 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

#### **Opinion**

I have audited the accompanying financial statements of Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project set out on pages 1 to 35, which comprise the

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*Report of the Auditor-General on Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project (AGRA Grant No. 2013 SHP 001) for the year ended 30 June, 2022 - State Department for Crop Development and Agricultural Research*

statement of financial assets as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and the 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, Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project as at 30 June, 2022, and of its financial performance and its cash flow for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement Grant No. 2013 SHP 001 between Alliance for a Green Revolution in Africa (AGRA) and The Republic of Kenya dated 23 July, 2014, and the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **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 Hand over Project Assets**

The financing agreement dated 23 July, 2014, (Schedule II - Conditions of the Grant Agreement) indicated the Project completion date as 30 June, 2017. However, the completion date was extended through a letter from AGRA dated 19 February, 2018, for a further period of six months to June, 2018. The Project therefore ceased operations in June, 2018. Further, the statement of receipts and payments indicates that the Project had cumulatively incurred an amount of Kshs.5,473,400 on acquisition of non-financial assets as at the time of ceasing operations comprising of motor vehicles and ICT equipment procured at Kshs.4,088,400 and Kshs.1,385,000, respectively. No evidence was provided for audit to confirm the handing over of these assets to the Parent Ministry of Agriculture, Livestock & Fisheries – State Department for Crops Development and Agricultural Research.

In the circumstances, the existence and security of assets worth Kshs.5,473,400 could not be confirmed.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

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

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

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

In preparing the financial statements, Management is responsible for assessing the Project'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 Management is aware of the intention to terminate the Project or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how 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 overall 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to 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 Project 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 Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

02 December, 2022







*Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project  
Annual Report and Financial Statements for the financial year ended June 30, 2022*


5. Statement of Receipts and Payments for the year ended 30th June 2022.

Note	Receipts and payments controlled by the entity		Payments made by third parties		Receipts and payment controlled by the entity		Payments made by third parties		Total	Cumulative to-date (From inception)
	2021-2022				2020-2021					
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.		
<b>Receipts</b>										
1	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	38,216,863
Total receipts	0	0	0	0	0	0	0	0	0	38,216,863
<b>Payments</b>										
5	0	0	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	5,188,256
8	0	0	0	0	0	0	0	0	0	20,239,885
9	0	0	0	0	0	0	0	0	0	5,473,400
Total payments	0	0	0	0	0	0	0	0	0	30,901,541
Surplus/ (deficit)		0	0	0	0	0	0	0	0	7,315,322

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

  
Name  
Principal Secretary

  
Name GITHAIGA REBECCA  
Project Coordinator

  
Name MARY CATH  
Project Accountant  
ICPAK Member No: 20360



*Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

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*(IPSAS 2.1.77 encourages an entity to separately disclose third party payments separately on the statement of receipts and payments or as notes to the financial statements. These are payments made by development partners directly on behalf of the entity. In recognising these transactions, the receipts must be equal to the payments made and therefore there is no surplus or deficit.)*


*Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project  
Annual Report and Financial Statements for the financial year ended June 30, 2022*


6. Statement of Financial Assets as at 30<sup>th</sup> June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and Cash equivalents</b>			
Bank Balances	11.A	0	7,315,322
Cash Balances	11. B	0	0
Cash equivalents (Short-term deposits)	11.C	0	0
<b>Total Cash and Cash equivalents</b>		<b>0</b>	<b>7,315,322</b>
Imprests and Advances	12	0	0
<b>Total Financial Assets</b>		<b>0</b>	<b>7,315,322</b>
<b>Financial Liabilities</b>			
Deposits and Retention monies	13	0	0
<b>Net Assets</b>		<b>0</b>	<b>7,315,322</b>
<b>Represented By</b>			
Fund Balance B/fwd.	14	0	7,315,322
Prior Year adjustments	15	0	0
Surplus/(Deficit) for the Year		0	0
<b>Net Financial Position</b>		<b>0</b>	<b>7,315,322</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 20/08 2022 and signed by:

  
Name  
Principal Secretary

  
Name GITHANIA REBECCA  
Project Coordinator

  
Name Mercy Luku  
Project Accountant  
ICPAK Member No: 20360

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**7. Statement of Cashflow for the year ended 30<sup>th</sup> June 2022**


Description	Notes	2021/2022	2020/2021
		KShs	KShs
<b>Cashflow from operating activities</b>			
<b>Receipts</b>			
Transfer from government entities	1	0	0
Proceeds from domestic and foreign grants	2	0	0
Miscellaneous receipts	4	0	0
<b>Total receipts</b>		0	0
<b>Payments</b>		0	0
Compensation of employees	5	0	0
Purchase of goods and services	6	0	0
Social security benefits	7	0	0
Transfers to other government entities	9	0	0
Other grants and transfers	10	0	0
<b>Total Payments</b>		0	0
<b>Adjustments during the year</b>		0	0
Prior year adjustments	15	0	0
Decrease/(increase) in accounts receivable	16	0	0
Increase/(decrease) in accounts payable:	17	0	0
<b>Net cash flow from operating activities</b>		0	0
<b>Cashflow from investing activities</b>		0	0
Acquisition of non-financial assets	8	0	0
<b>Net cash flows from investing activities</b>		0	0
		0	0
<b>Cash flow from financing activities</b>		0	0
Proceeds from foreign borrowings	3	0	0
<b>Net cash flow from financing activities</b>		(7,315,322)	0


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Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Net increase in cash and cash equivalents		(7,315,322)	0
Cash and cash equivalent at beginning of the year	11	7,315,322	7,315,322
Cash and cash equivalent at end of the year	11	0	7,315,322

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on \_\_\_\_\_ 2022 and signed by:

.....  
Name  
Principal Secretary

  
.....  
Name CYNTHIA REBECCA  
Project Coordinator


  
.....  
Name Mercy Wangui Gitu  
Project Accountant  
ICPAK Member No:


Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project  
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8. Statement of Comparison of Budget and Actual amounts for the year ended 30<sup>th</sup> June 2022

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

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

  
Name .....  
Principal Secretary

  
Name GITHAIKIN DEBECCA  
Project Coordinator

  
Name NENEY GITHY  
Project Accountant  
ICPAK Member No: 20360

## **8. Significant Accounting Policies**

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

### **10.1 Statement of compliance and basis of preparation**

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

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

### **10.2 Reporting entity**

The financial statements are for The Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project under the State Department of Department for the Crop Development and Agricultural Research. The financial statements are for the reporting entity The Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project as required by Section 81 of the PFM Act, 2012 .

### **10.3 Reporting currency**

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

### **10.4 Recognition of receipts**

The Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project recognises all receipts from the various sources when the event occurs, and the related cash has actually been received.

#### **i) Transfers from the Exchequer**

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



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ii) **External Assistance**

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

**Significant Accounting Policies (Continued)**

**iii) Other receipts**

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

**iv) Donations and grants**

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

**v) Proceeds from borrowing**

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

**vi) Undrawn external assistance**

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

**10.5 Recognition of payments**

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

**i) Compensation to employees**

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

**Significant Accounting Policies (Continued)**

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

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

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

**v) Acquisition of fixed assets**

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

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

**10.6 In-kind donations**

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

**Significant Accounting Policies (Continued)**

**10.7 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.

**10.8 Restriction on cash**

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

**10.9 Imprests and Advances**

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

**10.10 Contingent Liabilities**

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:

**Significant Accounting Policies (Continued)**

- i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

Annex 5 of this financial statement is a register of the contingent liabilities in the year.

**10.11 Contingent Assets**

The Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of (the Entity) in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**10.12 Pending bills**

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

**Significant Accounting Policies (Continued)**

**10.13 Budget**

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

**10.14 Third party payments**

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments. and are disclosed in the payment to third parties' column in the statement of receipts and payments. During the year, Kshs 0 billion being loan disbursements were received in form of direct payments from third parties.

**10.15 Exchange rate differences**

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

**Significant Accounting Policies (Continued)**

**10.16 Comparative figures**

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

**10.17 Subsequent events**

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2022.

**10.18 Prior period adjustments**

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s).

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9. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	KShs	KShs	Cumulative to-date (from inception)
	2021-2022	2020-2021	
<i>Counterpart funding through Ministry xxx</i>			
Counterpart funds Quarter 1	0	0	0
Counterpart funds Quarter 2	0	0	0
Counterpart funds Quarter 3	0	0	0
Counterpart funds Quarter 4	0	0	0
<b>Total (See Annex 2)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Other transfers from government entities</i>			
Ministry xx	0	0	0
Ministry xy	0	0	0
Project zz	0	0	0
Agency xx	0	0	0
<b>Total</b>	<b><u>00</u></b>	<b><u>00</u></b>	<b><u>00</u></b>
Appropriations-in-Aid	0	0	0
<b>Total</b>	<b><u>00</u></b>	<b><u>00</u></b>	<b><u>00</u></b>

*[Provide explanation as necessary noting that “Other transfers from government entities” is not the counterpart funding which is the government’s share of contribution towards the implementation of the project as mandated by the Project Agreement.]*



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Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2022, we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment	Grants received in kind	Total amount in K.shs	
						2021-2022	2020-2021
Grants Received from Bilateral Donors (Foreign Governments)	-	0	0	0	0	0	0
AGRA	-	0	0	0	0	0	0
Total	-	0	0	0	0	0	0

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

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Notes to the Financial Statements (Continued)

3. Loan from External Development Partners

During the financial period to 30 June 2022, we received funding from development partners in form of loans negotiated by the National Treasury as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment	Total amount in kshs
			kshs	kshs	2021-2022
					2020-2021
Loans received from bilateral Donors (Foreign Governments)					
Insert name of foreign Government	0	0	0	0	0
Insert name of foreign Government	0	0	0	0	0
Loans received from Multilateral Donors (International Organizations)					
Insert name of international organization	0	0	0	0	0
Insert name of international organization	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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Notes to the Financial Statements (Continued)

4. Miscellaneous receipts

	2021-2022		2020/2021	Cumulative to date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	
	Kshs	Kshs	Kshs	Kshs
Property income	0	0	0	0
Sales of goods and services	0	0	0	0
Administrative fees and charges	0	0	0	0
Fines, penalties, and forfeitures	0	0	0	0
Voluntary transfers other than grants	0	0	0	0
Other receipts not classified elsewhere	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Notes to the Financial Statements (Continued)

5. Compensation to Employees

	2021/2022		2020/2021		Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Personal allowances paid as part of salary	0	0	0	0	5,188,256
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,188,256</b>

Notes to the Financial Statements (Continued)

6. Purchase of Goods and Services

	2021/2022		2020/2021		Cumulative to date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Communication, supplies and services	0	0	0	0	150,000
Domestic travel and subsistence	0	0	0	0	13,025,799
Foreign travel and subsistence	0	0	0	0	2,083,742
Printing, advertising, and information supplies	0	0	0	0	68,750
Stationery, computers	0	0	0	0	1,755,150
Training payments	0	0	0	0	527,324
Hospitality supplies and services	0	0	0	0	1,093,000
Specialized materials and services	0	0	0	0	1,079,000
Other operating payments	0	0	0	0	269,970
Routine maintenance – vehicles and other transport equipment	0	0	0	0	186,250
<b>Total</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,239,885</u>

Notes to the Financial Statements (Continued)

7. Social Security Benefits

	2021-2022		2020-2021	Cumulative to-date
	Payments made by the Entity in Cash Kshs	Payments made by third parties Kshs		
Government pension and retirement benefits	0	0	0	0
Social security benefits in cash and in kind	0	0	0	0
Employer social benefits in cash and in kind	0	0	0	0
<b>Total</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

[Provide explanation as necessary]

Notes to the Financial Statements (Continued)

8. Acquisition of Non-Financial Assets

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	Kshs.	Kshs.	Kshs.	2020-2021 Kshs	Kshs
Purchase of vehicles & other transport equipment	0	0	0	0	4,088,400
Purchase of ICT equipment	0	0	0	0	1,385,000
<b>Total</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,473,400</u>

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Notes to the Financial Statements (Continued)

**9. Transfers to other Government Entities**

During the financial period to 30 June 2022, we transferred funds to reporting government entities as shown below:

	Payments made in Cash	Payments made by third parties	Total payments	Total payments 2021-2020	Cumulative to date
	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers to National Government entities					
Ministry ABC	0	0	0	0	0
Project XYZ	0	0	0	0	0
	0	0	0	0	0
Transfers to County Governments	0	0	0	0	0
County ABC	0	0	0	0	0
County XYZ	0	0	0	0	0
	0	0	0	0	0
<b>Total</b>	0	0	0	0	0



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Notes to the Financial Statements (Continued)

10. Other Grants, Transfers and Payments

	Payments made in Cash	Payments made by third parties	Total payments	Total payments 2020-2021	Cumulative 2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Grants for scholarships	0	0	0	0	0
Transfers to lower levels of government e.g. schools	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

[Provide explanation as necessary]

Notes to the Financial Statements (Continued)

11. Cash And Cash equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank accounts (The balance 7,315,322 was transferred to the donor)	0	7,315,322
Cash in hand (Note 8. 13B)	0	0
Cash equivalents (short-term deposits) (Note 8.13C)	0	0
<b>Total</b>	<b><u>0</u></b>	<b><u>7,315,322</u></b>

Strengthening fertilizer quality and regulatory standards has one number of project accounts spread within the project implementation area and one number of foreign currency designated accounts managed by the National Treasury as listed below:

11. A Bank Accounts

Project Bank Accounts

Details	2021-2022	2020-2021
	Kshs	Kshs
Foreign Currency Accounts		
Central Bank of Kenya [A/c No1000457732.....]	0	7,315,322
Total local currency balances	<u>0</u>	<u>7,315,322</u>
Total bank account balances	<u>0</u>	<u>7,315,322</u>

**Notes to the Financial Statements (Continued)**

**Special Deposit Accounts**

The balances in the Project's Special Deposit Account(s) as at 30<sup>th</sup> June 2022 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

**Special Deposit Accounts Movement Schedule**

Description	2021-2022	2020-2021
	Kshs	Kshs
(i) A/c Name [A/c No.....]		
Opening balance	0	0
Total amount deposited in the account	0	0
Total amount withdrawn (as per Statement of Receipts & Payments)	0	0
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	0	0
(ii) A/c Name [A/c No.....]	0	0
Opening balance (as per the SDA reconciliation)	0	0
Total amount deposited in the account	0	0
Total amount withdrawn (as per Statement of Receipts & Payments)	0	0
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	0	0

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Notes to the Financial Statements (Continued)

11 B Cash in hand

Description	2021-2022	2020-2021
	KShs	KShs
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other locations ( <i>specify</i> )	0	0
<b>Total cash in hand balances</b>	<b>0</b>	<b>0</b>

[Provide a cash count certificate for each location above]

11 C Cash equivalents (short-term deposits)

Description	2021-2022	2020-2021
	Kshs	Kshs
Kenya Commercial Bank [A/C No.....]	0	0
Co-Operative Bank of Kenya [A/C No.....]	0	0
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

[Provide short appropriate explanations as necessary]

12. Imprests and Advances

Description	2021-2022	2020-2021
	Kshs	Kshs
Government Imprests	0	0
Salary advances	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Notes to the Financial Statements (Continued)

12b: Breakdown of Imprests and Advances

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance 2022	Balance 2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Officer 1					
Officer 2					
Officer 3					
Officer 4					
Officer 5					
Programme 1					
Total	<u>0</u>	<u>0</u>	0	0	0

13. Deposits and Retention Monies

Description	2021-2022	2020-2021
	Kshs	Kshs
Retention	0	0
Deposits	0	0
Total	0	0

(Provide detailed explanations)

14. Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank accounts	0	7,315,322
Cash in hand	0	0
Cash equivalents (short-term deposits)	0	0
Outstanding imprests and advances	0	0
Total	<u>0</u>	<u>7,315,322</u>

Notes to the Financial Statements (Continued)

15. Prior Year adjustment

	Balance b/f FY (2020/2021 audited financial statements)	Adjustments	Adjusted balance b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others ( <i>specify</i> )	0	0	0
Total	0	0	0

16. Changes in Receivable

Description	2020-2021	2019-2020
	Kshs	Kshs
Opening Receivables as at 1 <sup>st</sup> July 2021	0	0
Closing account receivables as at 30 <sup>th</sup> June 2022	0	0
Change in Receivables	0	0

17. Changes in Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Deposit and Retentions as at 1 <sup>st</sup> July 2021	0	0
Closing accounts payables as at 30 <sup>th</sup> June 2022	0	0
Change in payables	0	0

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10. Other Important Disclosures

1. Pending Accounts Payable (See Annex 3a)

Description	Balance b/f FY 2020/2021 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2021/2022 Kshs
Construction of buildings	0	0	0	0
Construction of civil works	0	0	0	0
Supply of goods	0	0	0	0
Supply of services	0	0	0	0
<b>Total</b>	0	0	0	0

2. Pending Staff Payables (See Annex 3b)

Description	Balance b/f FY 2020/20 21 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2021/2022 Kshs
Senior management	0	0	0	0
Middle management	0	0	0	0
Union employees	0	0	0	0
Others	0	0	0	0
<b>Total</b>	0	0	0	0

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Other Important Disclosures (Continued)

3. Other Pending Payables (See Annex 3c)

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	0	0	0	0
Amounts due to County Government entities	0	0	0	0
Amounts due to third parties	0	0	0	0
<b>Total</b>	0	0	0	0

4. External Assistance

	2021-2022	2020-2021
Description	Kshs	Kshs
External assistance received as grants	0	0
External assistance received as loans	0	0
External assistance received in kind- as payment by third parties	0	0
<b>Total</b>	0	0

a). External assistance relating loans and grants

	FY 2021/2022	FY 2020/2021
Description	Kshs	Kshs
External assistance received as loans	0	0
External assistance received as grants	0	0
<b>Total</b>	0	0



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*b) Undrawn external assistance*

	Purpose for which the undrawn external assistance may be used	FY 2021/2022	FY 2020/2021
Description		Kshs	Kshs
Undrawn external assistance - loans		0	0
Undrawn external assistance - grants		0	0
<b>Total</b>		<b>0</b>	<b>0</b>

*c) Classes of providers of external assistance*

	FY 2021/2022	FY 2020/2021
Description	Kshs	Kshs
Multilateral donors	0	0
Bilateral donors	0	0
International assistance organization	0	0
NGOs	0	0
National Assistance Organization	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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**Other Important Disclosures (Continued)**

*d. Non-monetary external assistance*

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Goods	0	0
Services	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*(This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a county by donors, NGO etc N/B: Disclose the basis on which the value of goods and services were determined (This may be by: depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient on Third Party, Fair value measurement).*

*e Purpose and use of external assistance*

Payments made by third parties	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Compensation to employees	0	0
Use of goods and services	0	0
Subsidies	0	0
Transfers to other Government entities	0	0
Other grants and transfers	0	0
Social Security benefits	0	0
Acquisition of assets	0	0
Finance Costs including loan interest	0	0
Repayment of principal on domestic and foreign borrowing	0	0
Other payments	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*(N/B The above sub-classification should be adopted based on the purpose of the external assistance and how it was used).*

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**Other Important Disclosures (Continued)**

*f. External Assistance paid by third parties on behalf of (the Entity) by Source*

*This relates to external assistance paid directly by third parties to settle obligations on behalf of (the entity).*

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
National government	0	0
Multilateral donors	0	0
Bilateral donors	0	0
International assistance organization	0	0
NGOs	0	0
National Assistance Organization	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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**11. Prior Year Auditor-General's Recommendations**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	Transfer of remaining funds to the donor		The funds have been transferred to the donor.	

**Guidance Notes:**

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

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12. Annexes

Annex1 - Variance explanations - Comparative Budget and Actual amounts for FY 2021-2022

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
<b>Receipts</b>					
Transfer from Government entities					
Proceeds from domestic and foreign grants					
Proceeds from borrowings					
Miscellaneous receipts					
<b>Total Receipts</b>	0	0	0	0	
<b>Payments</b>	0	0	0	0	
Compensation of employees					
Purchase of goods and services					
Social security benefits					
Acquisition of non-financial assets					
Transfers to other government entities					
Other grants and transfers					
<b>Total payments</b>	0	0	0	0	

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**Annex 2: Reconciliation of inter-entity transfers**

Project Name:		Bread, down of transfers from the State Department for Crop Development and Agricultural Research	
a. Government Counterpart funding	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		0	
	<b>Total</b>	0	
B. Direct payments	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		0	
	<b>Total</b>	0	
C. Others	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		0	
	<b>Total (A+B+C)</b>	0	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department

Project Coordinator

Head of Accounting Unit

State Department for crop development and Agricultural Research

Strengthening Fertilizer quality and regulatory standards



Sign

  
Sign-----

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**Annex 3a - Analysis of Pending Bills**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid to Date	Outstanding Balance 2021	Outstanding Balance 2020	Commitments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
Sub-Total						
Construction of civil works						
3.						
4.						
Sub-Total						
Supply of goods						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
Sub-Total						
Grand Total	0	0	0	0	0	0

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**Annex 3b - Analysis of Pending: Staff Bills**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To Date	Outstanding Balance 2020-2021	Outstanding Balance 2019/20	Comments
<b>Permanent Employees - Management</b>							
1.							
2.							
<b>Sub-Total</b>							
<b>Permanent Employees - Others</b>							
3.							
4.							
<b>Sub-Total</b>							
<b>Temporary employees</b>							
5.							
6.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
7.							
8.							
<b>Sub-Total</b>							
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



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Annex 3c - Analysis of other Pending Payables

Name	Brief Description	Original Amount	Date Contracted	Payable	Amount Paid to Date	Outstanding Balance	Outstanding Balance	Comments
Amounts due to National Govt Entities								
1.								
2.								
Sub-Total								
Amounts due to County Govt Entities								
3.								
4.								
Sub-Total								
Amounts due to Third Parties								
5.								
6.								
Sub-Total								
Others (specify)								
7.								
8.								
Sub-Total								
Grand Total	0	0	0	0	0	0	0	0

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**Annex 4 – Summary of Fixed Assets Register**

Asset class	Opening Cost (KShs) 2021/22	Donations in form of assets (KShs) 2021/22	Purchases/ Additions in the Year (KShs) 2021/22	Disposals in the Year (KShs) 2021/22	Transfers in/out KShs 2021/22	Closing Cost (KShs) 2022
	(a)	(b)	(c)	(d)	(e)	(a) + (b) + (c) - (d) + (e)
Land						
Buildings and structures						
Transport equipment						
Office equipment, furniture and fittings						
ICT Equipment,	1,385,000					1,385,000
Other Machinery and Equipment(motorvehicle)	4,088,400					4,088,400
Biological assets						
Infrastructure assets roads, rails						
Intangible assets						
Work in Progress						
<b>Total</b>	<b>5,473,400</b>					<b>5,473,400</b>

**Notes**

\* Purchases/Additions in the year reconciled to the amount in Statement of Receipts and Payments

\*\* The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold. The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year should refer to note 18 on acquisition of assets during the year. Ensure this section is complete covering all the entities assets. Ensure the complete fixed asset register is separately prepared as per circular number 5-2020 and follow up remainder of circular No. 23/2020 of The National Treasury

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**Annex 5 – Contingent Liabilities Register**

	Nature of contingent liability	Payable to	Estimated Amount (KSh)	Expected date of payment	Remarks
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

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**Annex: 6 Reporting of Climate Relevant Expenditures**

Name of the Organization  
Telephone Number  
Email Address  
Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications) .....

Project Name	Project Description	Project Objectives	Project Activities	Project				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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**Annex 7 Disaster Expenditure Reporting Template**

Date		Entity		Year	Quarter
Period to which this report refers (FY)					Quarter
Name of Reporting Officer					
Contact details of the reporting officer:	Email				
Telephone	Telephone				
Column I	Column II	Column III	Column IV	Column V	Column VI
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)
					Comments

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**Annex 8: Other Support Documents**

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30<sup>th</sup> June 2022
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance