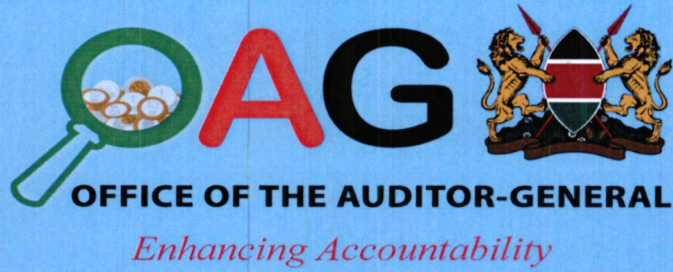


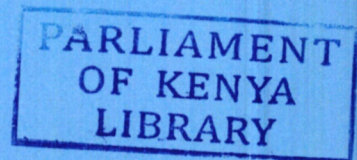
REPUBLIC OF KENYA



REPORT

PAPERS LAID	
DATE	31/5/2023
TABLED BY	Majority Leader
COMMITTEE	—
CLERK AT THE TABLE	Chania.

OF



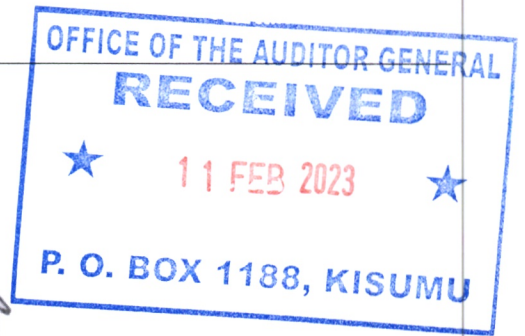
THE AUDITOR-GENERAL

ON

**KERICHO COUNTY AGRICULTURAL
DEVELOPMENT FUND**

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

**County Government of Kericho - Agricultural Development Fund
Reports and Financial Statements
For the year ended June 30, 2022**



**KERICHO COUNTY
AGRICULTURAL DEVELOPMENT FUND ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED**

JUNE 30, 2022

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

**County Government of Kericho - Agricultural Development Fund
Reports and Financial Statements
For the year ended June 30, 2022**

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County Government of Kericho - Agricultural Development Fund
Reports and Financial Statements
For the year ended June 30, 2022

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Agricultural Development Fund is established by The Kericho County Agricultural Development Act, 2017. The Fund is wholly owned by the County Government of Kericho and is domiciled in Kenya. The Fund's objective is to contribute to: "Finance the Agricultural sector in the county growth by supporting strategic farming interventions with high potential for enhancing productivity, value addition, quality improvements and marketing."

Principle activities

This Act may be cited as the Kericho County Agricultural Development Fund Act, 2017 and shall come into operation upon publication on the *Kenya Gazette*.

In this Act, unless the context otherwise requires – "Agriculture" includes –

- (a) fruit, tea, coffee, pyrethrum, stevia, vegetable, flower, seed farming, grasses, root crops, cereals and other crops as prescribed by the executive committee;
- (b) dairy farming, bee keeping, breeding and keeping of livestock;
- (c) conservation and keeping of game animals, game birds, and aquatic animals;
- (d) game ranching and game cropping;
- (e) the use of the land for grazing, market gardening, or for nursery grounds;
- (f) agroforestry, soil and water management; and
- (g) use of land for the production, transformation and trade of crop and livestock products.

b) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Eng. Philip Mason	CECM – Agriculture Livestock and Fisheries
2	Lilian Kerio	Chief Officer - Agriculture Livestock and Fisheries
3	Johnstone Rono	County Director of Agriculture

c) Key Management

Ref	Name	Position
1	Lillian Kerio	Chief Officer - Agriculture Livestock and Fisheries
2	Johnstone Rono	County Director of Agriculture
3	Laurence Kipruto	Accountant

a) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Hon. Phillip Mason	CECM – Agriculture, Livestock and Fisheries
2.	Lilian Kerio	CO – Agriculture, Livestock and Fisheries
3.	Johnstone Rono	County Director Agriculture

**County Government of Kericho - Agricultural Development Fund
Reports and Financial Statements
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b) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County Government of Kericho were:

- Kericho County Assembly
- Controller of Budget
- National Treasury
- Kericho County Audit Committee

d) Registered Offices

P.O. Box 112
Kericho County Executive HQs
Nairobi-Kisumu Highway
Kericho, KENYA.

e) Fund Contacts

Telephone: (254) 0722945533/0722449042

f) Fund Bankers

Cooperative Bank of Kenya,
Kericho Branch,
P.O. Box 00011024,
Nairobi-Kisumu Highway,
Kericho, KENYA.

g) Independent Auditors



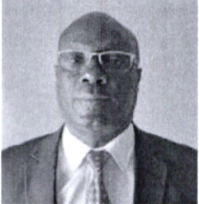
Office of the Auditor General,
Kisumu Hub,
P.O. Box 1188-40100,
Kisumu, Kenya.

h) Principal Legal Adviser

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


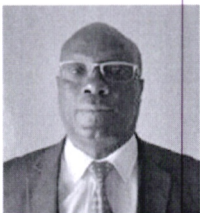

**County Government of Kericho - Agricultural Development Fund
Reports and Financial Statements
For the year ended June 30, 2022**

2. THE BOARD OF TRUSTEES (or any other corporate governance body for the Fund)

Name	Details of qualifications and experience
	<p>Eng. Philip Mason Executive DOB 2nd August, 1958 Master of Science in Agricultural Engineering- Bachelor of Science- Agricultural Engineering Experience: CECM Dept Trade, CECM Dept Agriculture, Coffee Processing Engineer</p>
	<p>Lilian Kerio Executive DOB 2nd August, 1978 Master of Science in Biochemistry and Molecular Biology- Bachelor of Science-Second Class Honours Upper Division Experience: Biochemist, Tea Research Foundation of Kenya</p>
	<p>Johnstone Rono Executive DOB 10th May 1962 Bachelor of Science Agriculture-Second Class Honours Experience: County Director of Agriculture</p>

County Government of Kericho - Agricultural Development Fund
Reports and Financial Statements
For the year ended June 30, 2022

3. MANAGEMENT TEAM

Name	Details of qualifications and experience
	Lilian Kerio Executive DOB 2nd August, 1978 Master of Science in Biochemistry and Molecular Biology- Bachelor of Science-Second Class Honours Upper Division Experience: Biochemist, Tea Research Foundation of Kenya
	Johnstone Rono Executive DOB 10 th May 1962 Bachelor of Science Agriculture-Second Class Honours Experience: County Director of Agriculture
	Laurence Kipruto Executive DOB 21 st December, 1977 Experience: Accountant

County Government of Kericho - Agricultural Development Fund
Reports and Financial Statements
For the year ended June 30, 2022

4. REPORT OF THE FUND ADMINISTRATOR

This is the County Government of Kericho County Financial Statements for period ending 30th June, 2022 for the Agricultural Development Fund. This report was prepared and presented as required by Section 168 of the *Public Financial Management (PFM) Act 2012*. The Constitution of Kenya Articles 2010 gives a constitutional right and requirement for the public to participate in budgetary process and prudent financial management of the public resources.

The Fund Administrator is County Program Coordinator and its primary purpose is to provide a comprehensive, harmonized, efficient and effective development and regulation of crop agriculture in Kericho County.

It is expected that this report will enable the county government to adequately monitor the challenges faced in budget implementation and use the lessons learnt in future economic forecasts. In addition, the report expounds on the actionable steps to be taken by all stakeholders in the subsequent reporting periods.

Signed: _____


Lilian Kerio

Chief Officer – Agriculture, Livestock and Fisheries.

County Government of Kericho - Agricultural Development Fund
Reports and Financial Statements
For the year ended June 30, 2022

5. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Agricultural Development Fund is established by The Kericho County Agricultural Development Act, 2017. The Fund is wholly owned by the County Government of Kericho and is domiciled in Kenya.

The fund's objective is to contribute to: "Finance the agricultural sector in the county growth by supporting strategic farming interventions with high potential for enhancing productivity, value addition, quality improvements and marketing."

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the 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 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 Fund; (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 Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

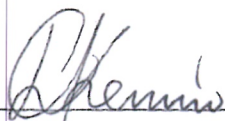
The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 December. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2021, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

Approval of the financial statements

The Fund's financial statements were approved by the Board on __30th Sept 2022 and signed on its behalf by:

Signed: _____



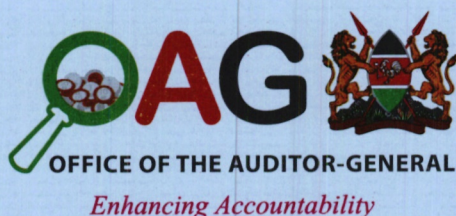
Lilian Kerio

Chief Officer – Agriculture, Livestock and Fisheries

Administrator of the Fund

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 KERICHO COUNTY AGRICULTURAL DEVELOPMENT FUND FOR THE YEAR ENDED 30 JUNE, 2022

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 the 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 Kericho County Agricultural Development Fund set out on pages 9 to 18, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in equity, 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, the financial statements present fairly, in all material respects, the financial position of the Kericho County Agricultural Development 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 comply with the Kericho County Agricultural Development Act, 2017 and the Public Finance Management Act, 2012.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kericho County Agricultural Development 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 opinion.

Emphasis of Matter

Sustainability of Service

The statement of financial performance reflects nil transactions during the year ended 30 June, 2022. This indicates that the Fund did not receive any funding from the County Government or the National Government and did generate any own income. It further indicates that the Fund did not incur any expenses during the year, and was technically dormant. A review of the Fund's bank account revealed a balance of Kshs.914,244 which was a transfer from the County Government of Kericho in the year 2018/2019 for seed capital. The Fund bank account has been inactive since October, 2019 implying that the Fund has not been able to achieve the objective for which it was established and as set out in Section 4(2) of Kericho County Agricultural Development Fund Act, 2017.

In the circumstances, the Fund's ability to sustain its intended services is in doubt.

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.

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 effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Trustees

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

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

The Board of Trustees 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 Fund's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to 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 sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

26 April, 2023

County Government of Kericho - Agricultural Development Fund
Reports and Financial Statements
For the year ended June 30, 2022

7. FINANCIAL STATEMENTS

7.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2022

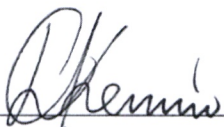
	Note	2021/2022	2020/2021
		KShs	KShs
Revenue from non-exchange transactions			
National Government contributions and donations		0.00	0.00
Transfers from the Kericho County Government	1	0.00	914,243.80
Other Contributions		0.00	0.00
		0.00	914,243.80
Revenue from exchange transactions			
Interest income			
Other income			
Total Revenue		0.00	914,243.80
Expenses			
Fund administration expenses		0.00	0.00
General expenses			
Finance costs			
Total Expenses		0.00	0.00
Other gains/losses			
Gain/loss on disposal of assets			
Surplus/(deficit)for the period		0.00	914,243.80


County Government of Kericho - Agricultural Development Fund
Reports and Financial Statements
For the year ended June 30, 2022

7.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2021/2022	2020/2021
		KShs	KShs
Assets			
Current Assets			
Cash and cash equivalents	2	914,243.80	914,243.80
Current portion of long-term receivables from exchange transactions			
Prepayments			
Inventories			
		914,243.80	914,243.80
Non-current Assets			
Property, plant and equipment			
Intangible assets			
Long term receivables from exchange transactions			
		-	-
Total Assets		914,243.80	914,243.80
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions			
Provisions			
Current portion of borrowings			
Employee benefit obligations			
		-	-
Non-current Liabilities			
Non-current employee benefit obligation			
Long term portion of borrowings			
		-	-
Total Liabilities		-	-
Net Assets		914,243.80	914,243.80
Revolving Fund		-	-
Reserves		-	-
Accumulated surplus		914,243.80	914,243.80
Total Net Assets and Liabilities		914,243.80	914,243.80

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 30th Sept 2022 and signed by:

Signed: 
 Lilian Kerio CO - ALF
 Fund Administrator


 CPA Laurence Kipruto
 Accountant
 ICPAK Member Number:8798

County Government of Kericho - Agricultural Development Fund
Reports and Financial Statements
For the year ended June 30, 2022

7.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2022

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance at 1 July 2020	0.00	-	914,243.8	0.00
Surplus/(deficit) for the period	0.00	-	-	914,243.8
Funds received during the year	0.00			0.00
Revaluation gain	-	-	-	-
Balance as at 30 June 2021	0.00		914,243.8	914,243.8
Balance as at 1 July 2021			914,243.8	914,243.8
Surplus/(deficit) for the period	0.00	-	-	0.00
Funds received during the year	0.00			0.00
Revaluation gain	-	-	-	-
Balance as at 30 June 2022	0.00		914,243.8	914,243.8

County Government of Kericho - Agricultural Development Fund
Reports and Financial Statements
For the year ended June 30, 2022

7.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2021/2022	2020/2021
		KShs	KShs
Cashflows from operating activities			
Receipts			
Other Contribution		0.00	0.00
Transfers from the Kericho County Government		0.00	914,243.80
Transfers from the National Government		0.00	0.00
Receipts from other operating activities			
Total Receipts		0.00	914,243.80
Payments			
Fund administration expenses		0.00	0.00
General expenses		0	0
Finance cost		0	0
Total Payments		0.00	0.00
Net cashflows from operating activities		0.00	914,243.80
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cashflows used in investing activities		0	0
Cashflows from financing activities			
Proceeds from revolving fund receipts		0	-
Additional borrowings		0	-
Repayment of borrowings		0	-
Net cashflows used in financing activities		0	0
Net increase/(decrease)in cash and cash equivalents		0	0
Cash and cash equivalents at 1 JULY	2	914,243.80	-
Cashandcashequivalentsat30 JUNE		914,243.80	914,243.80

County Government of Kericho - Agricultural Development Fund
 Reports and Financial Statements
 For the year ended June 30, 2022

7.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2022

	Originalbudget	Adjustments	Finalbudget	Actualon comparable basis	Performance difference	% utilization
	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022
Revenue	KShs	KShs	KShs	KShs	KShs	
National Government contributions and donations	0.00		0.00	0.00	-	-
Transfers from the Kericho County Government	0.00		0.00	0.00	-	-
Other Contribution	0.00		0.00	0.00	-	-
Other income	0	0	0	914,243.80	-	-
Total income	0.00		0.00	914,243.80	-	-
					-	-
Expenses					-	-
Fund administration expenses	0.00		0.00	0.00	-	-
General expenses					-	-
Finance cost					-	-
Total expenditure	0.00		0.00	0.00	-	-
Surplus for the period	0.00		0.00	914,243.80	-	-

**County Government of Kericho - Agricultural Development Fund
Reports and Financial Statements
For the year ended June 30, 2022**

7.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

2. Adoption of new and revised standards

a) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2019.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

4. Budget information

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 7.5 of these financial statements.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

6. Events after the reporting period

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

7. Ultimate and Holding Entity

The entity is a County Public Fund established by Kericho County Agricultural Development Fund Act 2017.

8. Currency

The financial statements are presented in Kenya Shillings (KES)

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7.7. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from County Kericho Government

Description	2021/2022	2020/2021
	KShs	KShs
Transfers from County Kericho Govt. – operations	0.00	914,243.80
Payments by County on behalf of the entity	0	0
Total	0.00	914,243.80

2. Cash and cash equivalents

Description	2021/2022	2020/2021
	KShs	KShs
Current account	914,243.80	914,243.80
Others	-	-
Total cash and cash equivalents	914,243.80	914,243.80

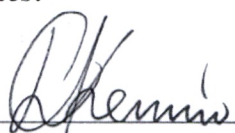
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**8. PROGRESS ON FOLLOW UP ON PRIOR YEAR AUDITOR'S
RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal 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)
1	Lack of adherence to the established Act	The management will look into the matters of the ADF establishing Act that have not been adhered to and see to it that they are implemented.	Chief Officer- Agriculture Livestock and Fisheries	Not Resolved	12 months

Guidance Notes:

Signed: 

Lilian Kerio

Chief Officer – Agriculture, Livestock and Fisheries

Administrator of the Fund