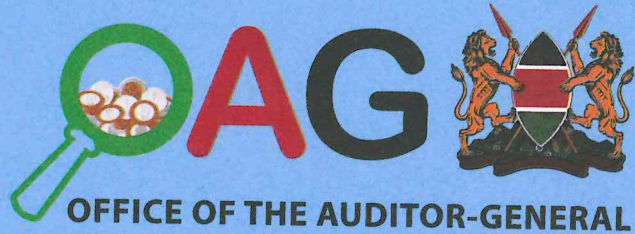


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

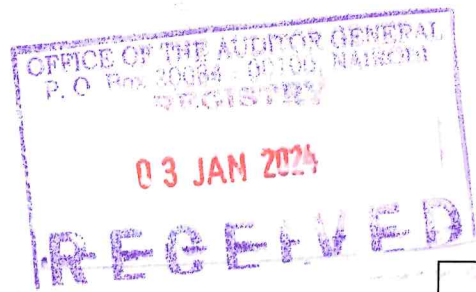
OF

THE AUDITOR-GENERAL

ON

AGRICULTURE AND FOOD AUTHORITY

**FOR THE YEAR ENDED
30 JUNE, 2023**



AGRICULTURE AND FOOD AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

Agriculture and Food Authority
Annual Report and Financial Statements
for the year ended June 30, 2023

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

AFA	Agriculture and Food Authority
DG	Director General
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KESREF	Kenya Sugar Research Foundation
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SCs	State Corporations

B: Glossary of Terms:

The Authority	– Agriculture and Food Authority
Fiduciary Management	– Members of Management directly entrusted with the responsibility of financial resources of the organisation
Comparative Year	– Means the prior period.

2. Key Authority Information and Management

a) Background information

Agriculture and Food Authority (AFA) is a state corporation established under section 3 of the Agriculture and Food Authority Act No. 13 of 2013, amended in 2016. AFA is domiciled at Tea House along Naivasha Road, Off Ngong Road. The Authority has its presence in 30 out of the 47 Counties of Kenya and in 7 out of the 8 former provincial regions.

The Authority was formed by merging 8 former regulatory bodies under the Ministry of Agriculture namely Sugar Board of Kenya, Coffee Board of Kenya, Tea Board of Kenya, Kenya Sisal Board, Cotton Development Authority, Coconut Development Authority, Horticultural Crops Development Authority and Pyrethrum Regulatory Authority. Upon the formation of AFA, the former institutions became Directorates of the Authority where the former Sisal Board of Kenya and the former Cotton Development Authority were put together to form Fibre Crops Directorate. A new directorate, Food Crops Directorate, was formed to carry out the mandate of AFA on food crops.

In 2021, upon the commencement of the Tea Act 2020, Tea Directorate ceased as Tea Board of Kenya came to be. This means that that the directorates reduced to 7, which are:

- i) Sugar Directorate,
- ii) Coffee Directorate,
- iii) Fibre Crops Directorate,
- iv) Nuts and Oil Crops Directorate,
- v) Horticultural Crops Directorate,
- vi) Miraa, Pyrethrum and other Industrial Crops Directorate, and
- vii) Food Crops Directorate

Sec. 11(3) of the Act provides that each directorate of the Authority shall have such autonomy as to enable it to discharge its professional mandate and shall for purposes of enabling Kenya to meet the relevant international obligations especially with respect to standards, each directorate shall be the recognized Authority to represent Kenya in that behalf as the competent authority. Subsection (4) provides that without prejudice to the general power of the Authority to establish directorates as contemplated under subsection (1), the Authority may establish directorates for each produce as may be necessary to enable the carrying out of any specialized activities with respect to the promotion or management of that agricultural product. This means as more crops are added to the list of the scheduled crops the Authority may establish a directorate to discharge its mandate in that respect or expand a directorate's mandate to include related crops among the crops regulated therein.

b) Key Activities / Functions of the Authority

To discharge her mandate, AFA is guided by the following Vision, Mission and Core values:

Vision

A world class crops regulator for improved livelihoods

Mission

To develop, promote and regulate scheduled crops value chains for sustainable economic growth and transformation

Motto:

“Our Crops, Our Wealth”

Core Values:

“Professionalism; Integrity; Customer focus; Teamwork; and Innovativeness”

Functions

Sec. 4 of the Agriculture and Food Authority Act provides that the Authority shall, in consultation with the county governments, perform the following functions:

- a) administer the Crops Act, in accordance with the provisions of these Acts (AFA Act and the Crops Act);
- b) promote best practices in, and regulate, the production, processing, marketing, grading, storage, collection, transportation and warehousing of agricultural products, excluding livestock, livestock products, as may be provided for under the Crops Act;
- c) collect and collate data, maintain a database on agricultural products excluding livestock products, document and monitor agriculture through registration of players as provided for in the Crops Act;
- d) be responsible for determining the research priorities in agriculture and to advise generally on research thereof;
- e) advise the national government and the county governments on agricultural levies for purposes of planning, enhancing harmony and equity in the sector;
- f) carry out such other functions as may be assigned to it by this Act, the Crops Act, and any written law while respecting the roles of the two levels of governments.

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c) Key Management

The Authority's day-to-day management is under the following key organs:

- i. Board of Directors
- ii. Senior Management comprised of:
 - a. The Director General
 - b. Heads of Directorates
 - c. Heads of Departments
 - d.

The members of the Key Management are as given in the table here below.

No.	Designation	Name
1.	Board of Directors - Chairman	Hon. Cornelly Serem
2.	Board of Directors - Member	Mr. Joseph Kirubi, MBS
3.	Board of Directors - Member	Dr. Patrick Mugo
4.	Board of Directors - Member	Dr. Rosebella Langat
5.	Board of Directors - Member	Mr. Christopher K. Nkangi
6.	Board of Directors - Member	Mr. Daniel Kitivo, OGW
7.	Board of Directors - Member	Ms. Lucy Njeri Njine
8.	Board of Directors - Member	Mr. Peterson Muthathai, HSC
9.	Board of Directors - Member	Mr. Jairus Ombui
10.	Board of Directors - Member	Mr. Wachira Kaguongo
11.	Board of Directors - Member	Mr. Samwel Onyango Ong'ow
12.	Board of Directors - Member	Mr. Isaac Odek Omondi
13.	Board of Directors - Member	Mrs. Sarah Chalimo Maina
14.	Ag. Director General	Mr. Willis M. Audi
15.	Director Finance	CPA Joseph W. Muigai
16.	Director Human Resource Management	Mr. Kibwana Mataka
17.	Director Internal Audit and Risk Assurance	Mr. Isaac Meto
18.	Director Legal Services	Mr. Andrew Osodo
19.	Ag. Director Planning, Strategy and Risk Management	Mr. Jason Mugo
20.	Deputy Director Corporate Communication	Ms. Anestina Maithya

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No.	Designation	Name
21.	Ag. Deputy Director Supply Chain Management	Ms. Mary Mkamburi
22.	Ag. Director Sugar Directorate	Mr. Jude Chesire
23.	Director Nuts and Oil Crops Directorates	Ms. Ann Gikonyo
24.	Ag. Director Fibre Crops Directorates	Ms. Grace Kyalo
25.	Director Horticultural Crops Directorate	Ms Christine Chesaro
26.	Ag. Director Miraa, Pyrethrum and Other Industrial Crops Directorate	Mr. Felix Mutwiri
27.	Ag. Director Coffee Directorate	Dr. Benson Apuoyo
28.	Ag. Director Food Crops Directorate	Mr. Calistus Kudu

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Ag. Director General - Up to 8 th May 2023	Ms. Beatrice Nyamwmu
2.	Ag. Director General - From 8 th May 2023	Mr. Willis M. Audi
3.	Ag. Director Finance - Up to October 2022	Mr. Elias Kiragu
4.	Director Finance - From November 2022	CPA Joseph W. Muigai
5.	Director Human Resource Management	Mr. Kibwana Mataka
6.	Director Internal Audit and Risk Assurance	Mr. Isaac Meto
7.	Director Legal Services	Mr. Andrew Osodo
8.	Ag. Director Planning, Strategy and Risk Management	Mr. Jason Mugo
9.	Deputy Director Corporate Communication	Ms. Anestina Maithya
10.	Ag. Deputy Director Supply Chain Management	Ms. Mary Mkamburi
11.	Ag. Director Sugar Directorate	Mr. Jude Chesire
12.	Director Nuts and Oil Crops Directorates	Ms. Ann Gikonyo

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No.	Designation	Name
13.	Director Fibre Crops Directorates	Mr. Solomon Odera
14.	Ag. Director Fibre Crops Directorates	Ms. Grace Kyalo
15.	Director Horticulture Crops Directorate Up to April 2023	Mr. Benjamin Tito
16.	Director Horticultural Crops Directorate From April 2023	Ms. Christine Chesaro
17.	Ag. Director Miraa, Pyrethrum and Other Industrial Crops Directorate	Mr. Felix Mutwiri
18.	Ag. Director Coffee Directorate Up to April 2023	Eng. Enosh Akuma
19.	Ag. Director Coffee Directorate From April 2023	Dr. Benson Apuoyo
20.	Ag. Director Food Crops Directorate	Mr. Calistus Kudu

e) Fiduciary Oversight Arrangements

The Authority's fiduciary oversight is comprised of the Internal Audit and Risk Assurance department whose mandate is to provide assurance about the availability of internal control systems and process giving assurance that risks are kept at the least level possible; The Audit and Risk Assurance Committee of the board to which the Internal Audit and Risk Assurance Department reports; the Finance, Strategy and Risk Management Committee of the Board overseeing the financial and risk management functions of the Authority; top management and the Board of the Authority providing general fiduciary oversight for the Authority.

Other agencies that provide fiduciary oversight over the Authority are:

i) Parliamentary Committee Activities

The Public Investment Committee is responsible for the examination of the accounts showing the appropriations of the sum voted by the House to meet the public expenditure and of such other accounts laid before the House as the Committee may think fit.

ii) Public Procurement Oversight Authority (PPOA)

Oversees all procurements by ensuring that the Authority follows procurement laws and regulations set to ensure transparency and value for money in procurement of goods and services.

Key Authority Information and Management (continued)

iii) Office of the Auditor General (OAG)

They audit and report on the management of public resources held by the Authority with an objective of improving service delivery to the Kenyan people.

f) Authority Headquarters

P.O. Box 37962-00100
Tea House, Naivasha Road
Nairobi, Kenya

g) Authority Contacts

Telephone: (254) 722200556/
E-mail: info@afa.go.ke
Website: www.afa.go.ke

h) Authority Bankers

i) Kenya Commercial Bank
Kencom House, Moi Avenue
P.O. Box 48400
GPO 00100
NAIROBI, KENYA

ii) National Bank of Kenya
Harambee Avenue Branch
P.O. Box 41862
GPO 00100
NAIROBI, KENYA

iii) Citibank N.A
Citi Bank House Upper Hill
P.O. Box 30711
NAIROBI, KENYA

Key Authority Information and Management (continued)

iv) Stanbic Bank Kenya

Stanbic Bank Centre, Westlands Road, Chiromo
P.O. Box 30711
NAIROBI, KENYA

v) Co-operative Bank of Kenya

Co-operative Bank House
P.O. Box 48231
GPO 00100
NAIROBI, KENYA

vi) Absa Bank

Absa Bank Kenya PLC Headquarters
P.O. Box 30120
GPO 00100
NAIROBI, KENYA

vii) Standard chartered Bank

Stanbank House, Moi Avenue
P.O. Box 30001
NAIROBI, KENYA




i) Independent Auditor

Auditor-General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA





j) Principal Legal Adviser





The Attorney General
State Law Office and Department of Justice,
Harambee Avenue
P.O. Box 40112
City Square 00200
NAIROBI, KENYA

The Board of Directors



DIRECTORS	DETAILS
<p>Hon. Cornelly Serem</p> 	<p>Position: Chairman Nationality: Kenyan Date of Birth: 31st December 1970 Qualification and Work Experience: Bachelors of Science, Biology Appointment Category: Appointed Date the Board Member was appointed; 22nd March 2023 Date of Expiry of the Board Member: 21st March 2028</p>
<p>Mr. Joseph Kirubi, MBS</p> 	<p>Position: Member – Alternate to Ps State Department of Crops Development (Ministry of Agriculture & Livestock Development) Nationality: Kenyan Date of Birth: 18th July 1961 Academic Qualifications: Bachelor of Administration Appointment Date: 14th April 2023 Term Expiry Date: Termination/Replacement by Representative Body - PS State Department for Crops Development Committees: Finance, Strategy and Risk Committee and Technical, Operations and Compliance Committee</p>
<p>Dr. Patrick Mugo</p> 	<p>Position: Member – Alternate to Ps State Department of National Treasury 9Ministry of National Treasury and Economic Planning Nationality: Kenyan Date of Birth: 3rd January 1980 Area of Expertise: Mathematics, Economics & Public Finance Highest Academic Qualification: Doctorate Appointment Category: Appointed under Section 3 of the AFA Act, No 13 of 2013 Date appointed: 4th May 2023 Term Expiry Date: Termination/Replacement by Representative Body - PS National Treasury Committees: (1) Finance, Strategy and Risk Committee, (2) Human Resource and Administration Committee and (3) Audit and Governance Committee</p>

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<p>Dr. Rosebella Langat</p> 	<p>Position: Member- Representing Horticultural Crops Nationality: Kenyan Date of Birth: 7th July, 1967 Area of Expertise; Business Highest Academic Qualification: Doctorate Appointment Category: Appointed Appointment Date: 16th March 2023 End of Term: 15th March 2028 Committees: (1) Audit and Governance Committee and (2) Technical, Operations and Compliance Committee</p>
<p>Mr. Christopher K. Nkangi</p> 	<p>Position: Member - Representing the Miraa Crops Nationality: Kenyan Date of Birth: 19th April 1979 Area of Expertise: Marketing Highest Academic Qualification: Higher/Postgraduate Diploma Appointment Category: Appointed Appointment Date: 16th March 2023 End of Term: 15th March 2028 Committees: (1) Finance, Strategy and Risk Committee, and (2) Human Resource and Administration Committee</p>
<p>Mr. Daniel Kitivo, OGW</p> 	<p>Position: Member - Representing - Fibre Crops Nationality: Kenyan Date of Birth: 25th March 1952 Area of Expertise: Tropical Agriculture Highest Academic Qualification: Masters Appointment Category: Appointed Appointment Date: 16th March 2023 End of Term: 15th March 2028 Committees: (1) Human Resource and Administration Committee, and (2) Technical, Operations and Compliance Committee</p>
<p>Ms. Lucy Njeri Njine</p> 	<p>Position: Member - Representing the Coffee Crop Nationality: Kenyan Date of Birth: 13th June 1964 Area of Expertise Business and Risk Management Highest Academic Qualification: Masters Appointment Category: Appointed Appointment Date: 16th March 2023 End of Term: 15th March 2028 Committees: (1) Finance, Strategy and Risk Committee, and (2) Human Resource and Administration Committee</p>



<p>Mr. Peterson Muthathai, HSC</p> 	<p>Position: Member - representing Nuts & Oils Crops Nationality: Kenyan Date of Birth: 24th January 1952 Area of Expertise; Education Highest Academic Qualification: Masters Appointment Category: Appointed Appointment Date: 16th March 2023 End of Term: 15th March 2028 Committees: (1) Member and Chair, Finance, Strategy and Risk Committee, (2) Technical, Operations and Compliance Committee</p>
<p>Mr. Jairus Ombui</p> 	<p>Position: Member - Representing Pyrethrum Crops Nationality: Kenyan Date of Birth: 2nd June 1961 Area of Expertise; Human Resource Highest Academic Qualification: Masters Appointment Category: Appointed Appointment Date: 16th March 2023 End of Term: 15th March 2028 Committees: (1) Member and Chair, Human Resource and Administration Committee and (2) Audit and Governance Committee</p>
<p>Mr. Wachira Kaguongo</p> 	<p>Position: Member -Representing Food Crops Nationality: Kenyan Date of Birth: 2nd June 1966 Area of Expertise; Agriculture Economics Highest Academic Qualification: Masters Appointment Category: Appointed Appointment Date: 16th March 2023 End of Term: 15th March 2028 Committees: Audit and Governance Committee and Technical, Operations and Compliance Committee</p>
<p>Mr. Samwel O. Ong'ow</p> 	<p>Position: Member - Representing Sugar Crops Nationality: Kenyan Date of Birth: 1969 Area of Expertise; Public Management Science Highest Academic Qualification: Masters Appointment Category: Appointed Appointment Date: 16th March 2023 End of Term: 15th March 2028 Committee(s): N/A</p>




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<p>Mr. Isaac Odek Omondi</p> 	<p>Position: Member - Representing Office of the Inspector General Nationality: Kenyan Date of Birth: 29th January 1965 Area of Expertise; Business and Economics Highest Academic Qualification: Masters Appointment Category: In Line with State Corporations Act, CAP 446 Appointment Date: 2nd May 2023 End of Term: Termination/Replacement by Representative Body - Office of the Inspector General.</p>
<p>Mrs. Sarah Chalimo Maina</p> 	<p>Position: Member – Alternate to Ps State Department of Lands and Physical Planning (Ministry of Lands, Public Works, Housing and Physical Planning. Nationality: Kenyan Date of Birth: 1979 Area of Expertise; Law Highest Academic Qualification: Masters Appointment Category: Established under Section 5 of the AFA Act, No 13 of 2013 Date the Board Member was appointed; 24th May 2023 Date of Expiry of the Board Member: Termination/Replacement by Representative Body – State Department of Lands and Physical Planning Committee: Audit and Governance Committee</p>
<p>Mr. Willis Magak Audi</p> 	<p>Position: Acting Director General Nationality: Kenyan Date of Birth: 26th December 1963 Area of Expertise; Horticulture Highest Academic Qualification: Masters Appointment Category: Ex – Officio Member</p>
<p>Mr. Andrew O. Osodo</p> 	<p>Position: Corporation Secretary - AFA Nationality: Kenyan Date of Birth: 30th November 1965 Area of Expertise; Law Highest Academic Qualification: Masters</p> <p>A registered member of ICS.</p>



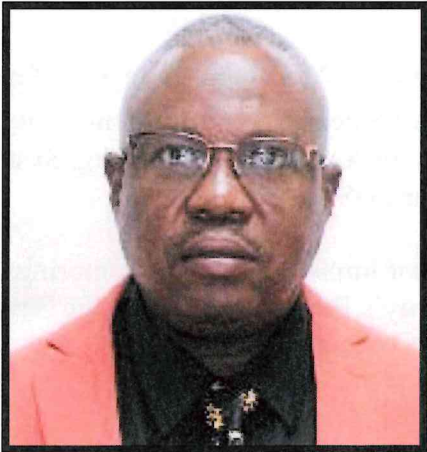
3. Key Management Team



STAFF DETAILS	RESPONSIBILITY AREA
<p>Willis Magak Audi</p>  <p>Ag. Director General</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • Master of Science in Horticulture (Egerton) • Bachelor of Science in Horticulture (Egerton) • Member of Kenya Society for Agricultural Professionals <p>Responsible for: the strategic direction and the day-to-day management of the Authority. He oversees the exercise, discharge and performance of Authority’s objectives, functions and duties, and the general administration. The Director General is also the Secretary to the Board of the Authority</p>
<p>Andrew M. O. Osodo</p>  <p>Director Legal Services</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • Master of Business Administration (MU), • Bachelor of Laws (UoN), • Post Graduate Diploma in Law (KSL) • Member of ICPSK and advocate of the High Court <p>The Director Legal Services is responsible for Board’s Secretariat and Legal Services</p>

<p style="text-align: center;">Grace Kyallo</p>  <p style="text-align: center;">Ag. Director Fibre Crops Directorate</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • MSc in Horticulture, UON, Kenya • BSc in Horticulture, Egerton University, Kenya • Management of Agriculture Extension Programs by Devolved government at JICA Kansai, Japan • Postharvest Technology certificate, UC Davis, California, USA <p>Director Fibre Crops Directorate is responsible for administration of the Crops Act in relation to Fibre crops and to promote best practices in, and regulate the production, processing, marketing, grading, storage, collection, transportation and warehousing of the same</p>
<p style="text-align: center;">Dr. Benson O. Apuoyo, PhD</p>  <p style="text-align: center;">Ag. Director Coffee Directorate</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • Doctor of Philosophy (Finance) Degree • Master of Business Administration • Bachelor of Commerce (Marketing) <p>Director Coffee Directorate is responsible for the Administration of the Crops Act, 2013 and its subsidiary legislation in relation to the Coffee Industry and to promote best practices in, and regulate the production, processing, marketing, transportation and warehousing of the same.</p>
<p style="text-align: center;">Christine Chesaro Yebei</p>  <p style="text-align: center;">Ag. Director Horticulture Crops Directorate</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • Masters in International Relations, • Bachelor of Arts in French & History, • Post Graduate Diploma in Public Relations Management • Member, Public Relations Society of Kenya <p>The Director HCD is responsible for administration of the Crops Act in relation to Horticultural Crops and to promote best practices in, and regulate the production, processing, marketing, grading, storage, collection, transportation and warehousing of the same</p>

<p style="text-align: center;">Jude Chesire</p>  <p style="text-align: center;">Ag. Director Sugar Directorate</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • LLB degree (Moi University) • Post Graduate Diploma in Law. • Advocate of the High Court of Kenya <p>Responsible for administration of the Crops Act in relation to Sugar Crop development, promotion and regulation. The Directorate promotes best practices in regulating the production, processing, marketing, grading, storage, collection, transportation and warehousing of the sugar crops and their products</p>
<p style="text-align: center;">Calistus Kudu Efukho</p>  <p style="text-align: center;">Ag. Director Food Crops Directorate</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • Master of Agricultural Science, University of Tsukuba, Japan • Bachelor of Science in Horticulture, Egerton University • Member of Japanese Society for Horticultural Science <p>The Director Food Crops Directorate is responsible for administration of the Crops Act in relation to Food Crops and to promote best practices in, and regulate the production, processing, marketing, grading, storage, collection, transportation and warehousing of the same</p>
<p style="text-align: center;">Felix Mutwiri</p>  <p style="text-align: center;">Ag. Director Miraa, Pyrethrum and other Industrial Crops Directorate</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • Master of Project Planning and Management (UoN, Nairobi) • Bachelor of Science in Agriculture Economics (Egerton University) • Member, Society of Crop Agribusiness Advisors of Kenya (SOCAA) <p>The Director MPOIC Directorate is responsible for administration of the Crops Act in relation to Miraa, Pyrethrum and Other Industrial Crops and to promote best practices in, and regulate the production, processing, marketing, grading, storage,</p>

<p style="text-align: center;">Anne W. Gikonyo</p>  <p style="text-align: center;">Ag. Director Nuts and Oil Crops Directorate</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • MBA, University of Nairobi (UoN), Kenya • BA Economics, University of Bombay, India • Certificate in Agricultural Marketing System (University of Missouri –USA) • Member, Marketing Society of Kenya <p>The Director NOCD is responsible for administration of the Crops Act in relation to Nuts and Oil Crops and to promote best practices in, and regulate the production, processing, marketing, grading, storage, collection, transportation and warehousing of the same</p>
<p style="text-align: center;">CPA Joseph W. Muigai</p>  <p style="text-align: center;">Director Finance</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • Master of Business Administration, Finance (UoN); • Bachelor of Commerce, Accounting (UoN) • Certified Public Accountant of Kenya, CPA(K) • Membership: ICPAK; M/No. 5605 • Certified Professional Mediator <p>The Director Finance is responsible for Financial Accounting, Financial Management and Financial Reporting</p>
<p style="text-align: center;">Jason Mugo</p>  <p style="text-align: center;">Ag. Director Corporate Planning, Strategy and Enterprise Risk Management</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • Bachelor of Science, Statistics (University of Nairobi) • Certificate in Agricultural Marketing System (University of Missouri, USA) <p>Responsible for Implementation, Monitoring and Evaluation of the Authority’s Performance under the Strategic Plan and Performance Contracts</p>

<p style="text-align: center;">Isaac C. Meto</p>  <p style="text-align: center;">Director Internal Audit</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • Executive Master of Business Administration, • Bachelor of Commerce (Accounting). • Member of Institute of Internal Auditors. <p>The Director Internal Audit is responsible for assuring Management and the Board that internal control systems are in place and working and that the risk management framework is working in light of management awareness of risks and mitigation measures thereof.</p>
<p style="text-align: center;">Anestina M. Maithya</p>  <p style="text-align: center;">Ag. Deputy Director Corporate Communications</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • Master of Business Administration - Human Resource Management, • Bachelor of Arts in Anthropology, • Member, Institute of Human Resource Management • Member of the Kenya Institute of Management <p>The Director Corporate Communication is responsible for managing Corporate Communications at Agriculture and Food Authority (AFA)</p>
<p style="text-align: center;">Kibwana K. Mataka</p>  <p style="text-align: center;">Director Human Resource Development</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • Masters in Business Administration, Strategic Management • Post graduate diploma in Human Resource Management • Bachelor of Arts, Geography and Government • Member, Institute of Human Resource Management and Kenya Institute of Management <p>The Director Human Resource Development is responsible for the Human resource recruitment, development and among others and general administration</p>

<p style="text-align: center;">Mary Mkamburi</p>  <p style="text-align: center;">Ag. Deputy Director Supply Chain Management</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • Master of Science in Procurement and Logistics (JKUAT) • Bachelor of Purchasing and Supplies Management (JKUAT) • Post Graduate Diploma in Purchasing and Supplies Management (KIM) • Post Graduate Diploma in Procurement and Supplies (CIPS) • Licensed Practitioner and Member, Kenya Institute of Supplies Management (KISM) • Member, Chartered Institute of Procurement and Supplies (CIPS) <p>The Deputy Director Supply Chain Management is responsible for Supply Chain and Procurement and Disposal of unserviceable assets of the Authority</p>
<p style="text-align: center;">Duncan G. Maina</p>  <p style="text-align: center;">Ag. Deputy Director Information, Communication and Technology</p>	<p>Qualifications and Membership to a Professional Body</p> <ul style="list-style-type: none"> • Bachelor of Science (BSc) Information Technology • MCITP, CompTIA A+, Cybercrime & Digital Forensics. • Member-Computer Society of Kenya. • Member-ISACA <p>The Deputy Director ICT is responsible for aligning ICT's strategy with the Authority's strategy & business process reengineering through automation of the authority's business processes.</p>

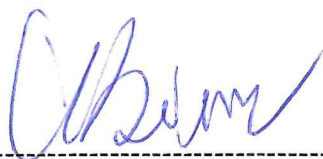
4. Chairman's Statement

The reforms in the Agricultural Sector were started in 2003 with the formulation of the Economic Recovery Strategy for Employment and Wealth Creation (ERS) and the ten-year Strategy for Revitalization of Agriculture (2004-2014). This culminated in the formulation of two main Acts of Parliament that established Agriculture and Food Authority, that is: Agriculture and Food Authority Act, 2013 and the Crops Act, 2013.

The AFA Act, 2013 consolidated the laws on the regulation and promotion of Agriculture and makes provision for the respective roles of the National and County Governments in agriculture and related matters, in line with the provisions of Part 1 and Part 2 of section 29 of Fourth Schedule to the Constitution of Kenya. The National Government has been responsible for agricultural policy and for assisting the county governments on agricultural matters, and each county has been responsible, for agricultural matters within its jurisdiction.

On the other hand, Crops Act 2013 consolidated various statutes and repealed a number of statutes relating to crops sub-sector to provide for enhanced productivity, growth and development by improving the investment climate and efficiency of agribusiness through facilitative regulation, development and promotion services. In view of this, Agriculture and Food Authority comprises of 7 directorates namely; Coffee Directorate, Pyrethrum, Miraa and Other Industrial Crops Directorate, Sugar Directorate, Food Crops Directorate, Fibre Crops Directorate, Horticultural Crops Directorate and Nuts and Oils Directorate. Tea Directorate recently broke away from AFA to form the Tea Board of Kenya.

Further, AFA's Chair and Board Members were appointed via a Gazette Notice Vol. CXXV No 69 dated **24th March 2023** in line with provisions of **Section of 5** of the Agriculture and Food Authority Act No 16 of 2013. The Board has been in operation for the last quarter of the Financial Year (FY) and has established four (4) Board Committees that offer oversight on all operations of the Authority, namely: Technical Operations and Compliance, Human Resource and Administration, Finance, Strategy and Risk and Audit and Governance Committee. The Board members have held the initial meetings and are in course of fulfilling their roles and responsibilities in line with the Authority's mandate.



Hon. Cornelly Serem
Chairman of the Board

5. Report of the Chief Executive Officer

In pursuant to Section 3 of the AFA Act, No. 13 of 2013, the Agriculture and Food Authority presents to you the Annual Report and Financial Statements for the financial year 2021/2022, in which the Authority has elaborated interventions in the past twelve (12) months in its pursuit of regulating, developing and promoting scheduled crops for increased economic growth and transformation in the country.

During the period under review, most of the key agriculture sub-sectors recorded declined performance resulting to a contraction of 1.6 per cent in the sector's gross value added in the year 2022. Drought in most parts of the country severely affected agricultural production. Maize production decreased from 36.7 million bags in 2021 to 34.3 million bags in 2022. Volume of horticultural exports decreased from 405.5 thousand tonnes in 2021 to 392.0 thousand tonnes in 2022. However, the volume of sugarcane deliveries increased from 7.8 million tonnes in 2021 to 8.7 million tonnes in 2022, largely on account of favourable weather conditions in sugarcane growing areas. Coffee production increased from 34.5 thousand tonnes in crop year 2020/21 to 51.9 thousand tonnes in crop year 2021/22, partly attributed to conducive weather conditions in the coffee growing areas and improved crop husbandry. Coffee earnings increased from USD 9.7 million to US 15.19 million representing a 56.6% increase. The annual production for macadamia nuts in 2022 was estimated at 42,562 MT, valued at KES 2.4 billion at farm gate. Exports of nuts and oil crops, including macadamia, cashew, and coconut, increased to 12,861 MT in 2022 compared to 9,953 MT in 2021. Cotton production increased from 1,297 MT to 3,762 MT of lint mainly attributed to the provision of certified and BT seeds to farmers under the Cotton Revitalization Project.

In the Financial Year 2022/2023, a budget of KShs. 2.31 Billion was approved for use by the Authority for implementation of core mandate activities and operations. Out of this amount, the Authority allocated at total of KShs. 1.114 Billion for the implementation of the core mandate activities as follows; Projects KShs 673.4 Million Regulation and Compliance for KShs. 161.19 Million, Technical and Advisory for KShs. 152.44 Million and Market Research & Development for KShs. 127.34

Under the Cotton Revitalization Project, Ksh.90 million was approved for implementation of various cotton improvement activities which included production and distribution of certified seeds, procurement and distribution of Bt. Cotton seeds and capacity building of stakeholders. The Authority has also started the implementation of the Edible Oil Crops Promotion Project targeting sunflower, canola, soybean and coconut on 15 selected counties. The project will run for 5 years starting from July 2023 at a cost of KES 981 million. The funds are released on a yearly basis starting with Ksh. 134 million in year one.

The Authority continued implementation of the Revitalizing Irish Potato Production for covid-19 affected small-scale producers. The project was funded and implemented under Government of Kenya and the International Fund for Agriculture Development (IFAD) agreement. The project's objective was to support rural small-scale Irish potato farmers to mitigate the negative impacts of COVID-19

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on production and access to markets. The project was implemented in three counties of Elgeyo Marakwet, Nyandarua and Meru. A total of KShs. 242,099,000 was spent on the project during the period under review. A total of 8,277 farmers benefited from input subsidy provided by GOK/IFAD against a target of 8,000 beneficiaries. A total of 5,207 farmers received seed and fertilizer while 3,070 received fertilizer without seed due to its unavailability. Potato yields increased from 6MT to 20MT per Ha as a result of the project's intervention.

During the period under review, the Authority continued enforcement of the regulations and implementation of programmes to promote production and productivity of the various scheduled crops under its mandate. These included capacity building of counties and stakeholders of the various scheduled crops value chains, distribution of seedlings, seeds and establishment of demonstration plots and model nurseries. The Authority also organized various field days and participated in agricultural shows to capacity build and sensitize stakeholders on value addition, crop production and marketing. In addition, the Authority continued undertaking its mandate on promotion. This was centred on developing strategies for market exploration and expansion for scheduled crops produce and products, capacity building of counties and stakeholders on market access and value addition opportunities. The Authority also facilitated various stakeholders to participate at local, regional and international exhibitions and expos to market their produce and products.

The Authority also embarked on the development of regulations for the newly scheduled crops or regulations that were annulled by the National Assembly. The Crops (Miraa) Regulations were enacted in April 2023 and it provides for the regulation of the Miraa sub sector in Kenya. The Crops (Bixa) Regulations and the Crops (Fibre Crops) regulations are at various stages of development. The Authority, in consultation with the Office of the Attorney General, also drafted bill to repeal the Pyrethrum Act No. 13 of 2013 in order to remove the conflicting legislation for regulation of pyrethrum.

In order to facilitate trade, the Authority completed the automation of all its processes. Following an audit of its trade facilitation processes, the Authority collaborated with the Kenya Trade Network Agency (KenTrade) to review and revise some of the processes. The Authority also re-engineered its Miwa Bora application for the sugar sector to include a dashboard for industry trends and insights, a digital balance sheet for farm records, virtual extension services and a platform for industry community news sharing. The application was also linked with IMIS for licence application tracking.



Willis M. Audi
Ag. Director General

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		- Standards and Codes of Practise	- Review & develop product standards and code of practices	- Review of Cane Pricing Formula
		- Surveillance reports	- Quarterly & adhoc border points inspections and surveillance for traded scheduled crops products	- Deployment of Crops Inspectors at major Border points
		- Draft Quality Based Cane Payment System regulation	- Develop regulation for the Quality Based Cane Payment System	- A draft Quality Based Cane Payment System regulation was developed
		- Inspection reports	- Monitor produce/ product conformity to food safety/ quality requirements	- Inspections was done to ensure Food safety requirements are complied with
		- Certification documents	- Facilitate product certification for market access	- certification of 4 nuts and oil crop products - Certification of NCPB and Private Warehouses

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			Avocado (False Codling Moth)	
	- Enhance Market access and integration into global value chains	- Flax and Sunflower value chain profiled - Miraa value chain mapped - Market linkages - Market Research / Survey Report	- Profiling of flax and sunflower value chain players - Undertake a domestic market survey to identify market access gaps	- A profile of Flax and sunflower value chain players - Sugar market surveys undertaken - Value Chain Analysis reports for the priority sectors i.e. miraa value chain mapped
Pillar 3: Transformational Regulation	- Establish standards and enforce regulations to ensure consumer protection, fair play and competitiveness	- Scheduled crops standards	- Reviewing/development of four (4) East African Standards	- Reviewed four (4) East African Standards namely: Sunflower Oil, Crude Palm Oil, Refined Palm Oil and Kernel Oil Specification standards
		- Gazetted regulations - Draft Bixa regulations	- Develop and harmonise policies and sector regulations	- Pyrethrum Regulations Developed - Finalization of the Crops Bixa Regulations
	Compliance and regulations	- Implementation reports	- Implementation of Gazetted regulations	- Implementation of the sub-sector regulations (Coffee, Miraa, Sugar, Nuts & Oil Crops, Food Crops, Irish Potatoes & Horticulture)

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		- Number of seedlings	- Establishment of Coconut Dwarf Variety Seed nursery	- 2,096 coconut seedlings were raised and distributed in KARLO Matuga nursery
		- Number of Demonstration plots - Number of beneficiaries - M&E reports	- Promote access to clean and high-quality planting materials for Irish potatoes, cassava, sweet potatoes, sorghum and finger millet - Establishment of high quality planting materials demonstration plots	- Demonstration plots were developed and their produce distributed to the selected beneficiaries
		- Acres	- Promote planting of Sisal in non-traditional areas	- 2.5 acres of land utilized for sisal demonstration plots
		- Capacity building forums	- Build the capacity of County Agriculture staff and farmers on the management of selected pests of economic importance: Surveillance & Quarantine pests i.e. fruit fry (<i>Drosophila</i> Suzuki) in Mango and	- Management & surveillance on quarantine pests for better yield and market access.

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		<ul style="list-style-type: none"> - Number of Cotton seeds - Reports 	<ul style="list-style-type: none"> - Sustainable Development and Access of Certified Cotton Seeds 	<ul style="list-style-type: none"> - Aailed 18MT of Bt hybrid cotton seeds and 40MTs of Fuzzy seeds
		<ul style="list-style-type: none"> - Reports 	<ul style="list-style-type: none"> - Undertake an economic viability assessment for cottage level processing of macadamia nuts in consultation with industry players 	<ul style="list-style-type: none"> - Sensitization on Macadamia Cottage Level Processing for Kernel and Domestic Oil Production
		<ul style="list-style-type: none"> - Capacity needs assessment reports - Number of sensitization forums - Number of county agricultural officers trained 	<ul style="list-style-type: none"> - Undertake technical capabilities of Counties 	<ul style="list-style-type: none"> - Counties capacity needs assessments - Capacity building of County agricultural staff on Good Agricultural Practises (GAPs) and marketing aspects
		<ul style="list-style-type: none"> - Signed collaboration frameworks and Memoranda of Understanding (MOUs) - Number of seedlings produced and distributed 	<ul style="list-style-type: none"> - Distribution of quality planting materials 	<ul style="list-style-type: none"> - Distributed 30,000 cashew seedlings; 15,000 seedlings in Eastern region and 15,000 in Coast region - Raised and distributed 3,000 macadamia seedlings in KEFRI Kericho

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		<ul style="list-style-type: none"> - Training reports /Certificates - Approved Training Plan 	<ul style="list-style-type: none"> - Develop and enhance AFA's capacity to deliver on its strategic objectives and activities 	<ul style="list-style-type: none"> - Impact of capacity development initiatives undertaken - Employees training and development undertaken
		<ul style="list-style-type: none"> - Draft risk management framework - Draft risk policy - AFA risk profile - Risk assessment reports 	<ul style="list-style-type: none"> - Development of AFA risk management framework - Mapping of risks - Development of risk policy 	<ul style="list-style-type: none"> - A draft risk management framework was developed - AFA risk profile was developed - Risk assessment was undertaken - A draft risk policy was developed
		<ul style="list-style-type: none"> - Draft financial policies/ manuals - Approved budget - Quarterly financial reports 	<ul style="list-style-type: none"> - Adopt prudent financial management practises 	<ul style="list-style-type: none"> - Development of draft AFA financial policies and manuals - Development of Programme Based Budget - 75% Utilization of allocation funds
		<ul style="list-style-type: none"> - Reports 	<ul style="list-style-type: none"> - Business Process Re-engineering 	<ul style="list-style-type: none"> Directorates re-engineered at least 2 service delivery processes
Pillar 2: Stakeholder Focus	Boost agricultural growth and productivity for food & nutrition security	<ul style="list-style-type: none"> - Number of Irish Potato seeds - Number of beneficiaries - Reports 	<ul style="list-style-type: none"> - Revitalization of Irish Potato Production for COVID-19 Affected 	<ul style="list-style-type: none"> - Distribution of Irish Potato and other farm inputs to over 8,148 COVID-19 Affected Small-Scale Producers - Distribution of fertilizers and agro- chemicals to 8,148 beneficiaries - Capacity building of county agricultural staff

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6. Statement of Performance against Predetermined Objectives for FY 2022/2023

Agriculture and Food Authority (AFA) had three strategic pillars and objectives within its Strategic Plan for the period 2017/2018- 2021/2022. These strategic pillars are as follows:

- Pillar 1: Operational Excellence
- Pillar 2: Stakeholder Focus
- Pillar 3: Transformational Regulation

AFA develops its annual work plan based on the above three pillars. Assessment of the Authority's performance against its annual work plan is done on a quarterly basis. The Authority achieved its performance targets set for the 2022/2023 FY period for its three (3) strategic pillars, as indicated in the table below:

Strategic Pillar	Objectives	Key Performance Indicators	Activities	Achievements
Pillar 1: Operational Excellence	Strengthening AFA's institutional framework to effectively deliver on its mandate	- ERP reports	- Enhancement of the ERP system	- Realignment of the appraisal tool to the human resource manuals - Budgetary control, appraisal, leave and transport modules with the current user requirements reconfigured - Business intelligent, staff, recruitment, and supplier web portals are fully upgraded
		- IMIS reports	- Upgrade and implement the Integrated Management Information System (IMIS)	- Registration and licensing processes as per the Crops (Miraa) Regulations were Automated - ICT staff trained on the IMIS system configuration, administration and management of the IMIS environment - Implementation of Integrated Management Information System

7. Corporate Governance Statement

The Board of the Agriculture and Food Authority was appointed by the Cabinet Secretary for the Ministry of Agriculture and Livestock Development via Gazette Notice Vol. CXXV No 69 dated **24th March 2023** with the Commencement dates as **16th March 2023** for the Board Members. The Chair was also appointed by the Office of the President in the same notice with the commencement as **22nd March 2023**. All Board Members are to serve for a period of Five (5) years.

The AFA Board brings together diverse backgrounds and expertise necessary to provide leadership to the Authority. The Board and management of the Authority continue to comply with Corporate Governance guidelines and the Mwongozo Code of Governance for State Corporations. The Board recognizes the fundamental role of corporate governance in enhancing the culture and performance of the Authority and further, that high standards of corporate governance are a key contributor to the long term success of the Authority.

The Board's Charter

In line with good corporate governance and the provisions of the Mwongozo Code, the Authority has prepared a Board Charter which has been adopted by the Board of the Authority. The Board Charter defines the Board's Roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight function. The Charter will help the Board in directing the organization to maximize the long term value of services provided for all stakeholders. It will also assist members to understand their individual and collective roles with the purpose of helping the organization fulfil its mandate.

The Charter is complementary to the provisions as contained in the Agriculture and Food Authority Act and other applicable Kenyan laws and regulations. The charter will be reviewed annually.

Process of Appointment of Chairperson and Board Members

The process of appointment of the Chairperson and the Board members is provided for under the Agriculture and Food Authority Act. The Chairperson shall be appointed by the President while the other board members shall be appointed by the Cabinet Secretary. The Board of the Authority shall consist of eight farmer representatives. In appointing the eight farmer representatives the Cabinet Secretary is required to consult with the Council of County Governors. Every appointment shall be by name and by notice in the Kenya Gazette. A member of the Board may at any time resign from office by notice in writing to the Cabinet Secretary. A member may also be removed from office if the member is;

- (a) Is absent, without the permission of the Chairperson, from three consecutive meetings; or
- (b) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding ten thousand shillings; or
- (c) Is incapacitated by prolonged physical or mental illness or is deemed otherwise unfit to discharge his or her duties as a member of the Board;
- (d) Is adjudged bankrupt or enters into a composition scheme or arrangement with his or her creditors;
- (e) Is convicted of an offence involving dishonesty or fraud;
- (f) Otherwise fails to comply with the requirements of Chapter Six of the Constitution

The removal of a Board member shall be through formal revocation.

Succession/Term Limits

Board members, shall hold office for a period not exceeding five (5) years, and are eligible for reappointment for one more term not exceeding five (5) years. The renewal of a Board Members tenure for a second term is subject to an acceptable evaluation as determined during Board evaluations.

The Roles and Functions of the Board

The basic responsibilities of the Board members was to exercise their best judgment and to act in a manner that they reasonably believe to be in the best interest of the Authority and its stakeholders.

The Roles and Functions of the Board includes the following;

- (a) To Exercise their role collectively, not individually
- (b) To Oversee the implementation of the Authority's mission, vision, purpose and core values through various programs;
- (c) To set and oversee the overall strategy and approve significant policies of the Authority;
- (d) To Review, evaluate and approve, on a regular basis, long-term plans for Authority.
- (e) To Review, evaluate and approve the Authority's budget and financial forecasts;
- (f) To Review, evaluate and approve major resource allocation and capital investments;
- (g) To Ensure that the procurement processes were cost-effective and delivered value for money;
- (h) To Review and approve the operating and financial results of Authority;
- (i) To ensure effective, accurate, timely and transparent disclosure of pertinent information on the Authority's operations and performance.
- (j) To Ensure that effective processes and systems of risk management and internal controls were in place;
- (k) To Approve the appointment of senior management;
- (l) To Review, evaluate and approve the overall Authority's structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- (m) To Review, evaluate and approve the remuneration structure of the Authority;
- (n) To Adopt, implement and monitor compliance with the Authority's Code of Conduct and Ethics;
- (o) To Review on a quarterly basis, the attainment of targets and objectives set out in the agreed performance measurements framework with the Government of Kenya;
- (p) To Review periodically the Authority's strategic objectives and policies relating to sustainability and social responsibility/investment;
- (q) To Protect the rights of shareholders and optimized shareholder value;
- (r) To Enhance the Authority's public image and ensured engagement with stakeholders through effective communication;
- (s) To Ensure availability of adequate resources for the achievement of the Authority's objectives;
- (t) To Monitor compliance with the Constitution, all applicable laws, regulations and standards;
and
- (u) To Review, monitor and ensure that the Authority is effectively and consistently delivering on its mandate.

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To effectively discharge its mandate, the Board established the Following four (4) committees with specific terms of reference: -

1. Audit and Governance Committee;
2. Human and Administration Committee
3. Finance, Strategy and Risk Committee.
4. Technical Operations and Compliance Committee

The committee members have the requisite skills and expertise and executed their responsibilities with the highest degree of professionalism.

Conflict of Interest

The Mwongozo code of Governance for State Corporations, the Leadership and Integrity Act, Public Officer Ethics Act and other relevant laws have set standards on the management of conflict of interest. The Authority is in compliance with the requirements set out in the code and the relevant laws. The Directors are required to disclose their areas of conflict. Directors are required to refrain from contributing to or voting on matters in which they have such conflict or influence a decision with respect to such a matter. The Authority also maintains a register to record conflict of interest

Board Remuneration

The Board of the Authority recommended the remuneration and sitting allowances paid to the Chairman and members of the Board in line with the currently prevailing government guidelines on payment of remuneration and allowances for Board members. The Chairman and Board were therefore paid Sitting allowances and other allowances in line with the guidelines.

Ethics and Conduct and Governance Audit

The Authority has adopted high standards and applies strict rules of conduct, based on the best corporate practices. As part of this commitment, the Board continued to adhere to good corporate governance by embracing the following principles: -

1. Observing high standards of ethical and moral behaviour;
2. Acting in the best interests of the organization;
3. Remunerating and promoting staff fairly and responsibly;
4. Recognizing the legitimate interests of all stakeholders; and
5. Ensuring that the Authority acts as a good corporate citizen.

In general, Board members upheld their fiduciary responsibilities and duty of care act to act in the best interest of the organization. The members promoted the creation of a culture built on principles of integrity, accountability and transparency.

8. Management Discussion and Analysis

In 2022/2023, the Authority allocated KShs.1.14 Billion for the implementation of the core mandate activities as follows; Projects KShs 673.4 Million, Regulation and Compliance for KShs. 161.19 Million, Technical and Advisory for KShs.152.44 Million and Market Research & Development for KShs 127.34 Million.

The Authority's programmes and activities were realigned to the Bottom Up Transformation Agenda (BeTA) to improve the prioritized crops in the three main agriculture related pillars of Food security crops, reduced imports and growth exports. During 2022/2023 FY, the Authority undertook the following programmes and activities towards BeTA on Cotton revitalization project; Edible oils value chains and Coffee revitalization.

On cotton revitalization project, the Authority enhanced local production of cotton through: Input support by distributing 18 MT Bt cotton and 40 MT fuzzy seeds provided in collaboration with stakeholders to the farmers in cotton growing regions; capacity building of county extension officers in Lamu, Tana River, Kitui, Machakos Meru and Tharaka Nithi; establishment of two clusters for production, value addition and Marketing in Nyanza and Western Regions and supporting the development of 24 MT of certified cotton seeds by KALRO Mwea and Kibos.

On Edible oils value chains and Coffee revitalization, the Authority raised 15,000 coconut seedlings and distributed in the Coastal Counties, this increased the area of production under coconut from 73,286 ha in 2022 to 73,661 ha in 2023. In addition, the Authority, procured of 42 MT of sunflower and 5 MT of soya to be planted in October 2023. Upon planting the procured seeds, the area under sunflower and soya will increase from 2,045 Ha to 23,045 ha to produce 5,400 MT of edible oil and reduce importation.

On Coffee revitalization programme, the Authority in 2022/23 FY, undertook sensitization in collaboration with the County Government on Good Agricultural Practises in order to improved Arabica coffee production and productivity in majority of the coffee growing regions.

Other activities undertaken in fulfilment towards AFA mandate were: The Horticultural Crops Directorate (HCD) undertook several activities aimed at increasing fruit production and quality. To enhance increasing uptake of clean planting material, the Directorate trained county agricultural extension officers and nursery operators on production in 25 counties. In addition, mango and avocado fruit production and productivity of quality has been affected by quarantine pests (Fruit flies and False Codling Moth). Towards addressing this challenge, the Directorate undertook training of agricultural extension officers and farmers on surveillance and management of the two pests in 8 counties. The Directorate also conducted capacity building of county agricultural extension officers, farmers and marketing agents on harvesting and post-harvest handling of avocado and mangoes in 6 counties to reduce post-harvest losses. Further, the Authority undertook the Avocado Quality Publicity Campaigns to enforce harvesting practices of avocado. The campaigns were done in collaboration with Murang'a, Kirinyaga and Meru Counties.

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In order to upgrade Kenya's Horticulture Value Chains; HCD in collaboration with the value chain actors in Uasin Gishu and Makueni Counties, held one conference in Uasin Gishu for Avocados with the objective of bringing avocadoes stakeholders in Uasin Gishu and its environs to address the challenges and develop a solution implementation framework.

The Nuts and Oil Crops Directorate activities aimed at increasing production of nuts and oil crops (Coconut, cashew and Macadamia), the Directorate distributed 2,000 coconut seedlings, raised and distributed 30,000 cashew seedlings; 15,000 seedlings in Eastern region and 15,000 in Coast region and 3,000 macadamia seedlings in KEFRI Kericho. Two model nurseries for cashew nuts and Macadamia in Embu and Kericho, respectively were established. For Cashew nuts, two model nurseries were established in KARLO Mtwapa and KEFRI Kibwezi. One model nursery with 2,000 coconut seedlings was established in KARLO Matuga. Five Sensitization workshops were carried out in Nairobi, Lamu, Kilifi, Meru, Makueni, Nakuru, Bungoma, Kitale, Migori and Homabay for edible oils. In Addition, 3 trainings on cottage level processing of macadamia nuts to industry players in Wambugu ATC Nyeri County, Chuka University, Tharaka Nithi County and at Mabanga ATC in Bungoma county.

According to the AFA Act, 2013, one of its core function is to collect, collate and analyse data and maintain database on agriculture as well as to register farmers and dealers in scheduled crops. In total, Ksh.100 million was allocated for farmer registration. The Authority engaged CPHRM group to undertake farmer registration, value chain mapping of key food crops and conduct capacity building of counties and stakeholders. To date a total of 55,522 farmers have been registered through live Farmer Registration System. Value chain mapping for Irish potatoes, wheat, Maize and Rice was carried out across 11 counties as follows: Maize – Trans Nzoia, Uasin Gishu, Bungoma; Irish Potatoes - Nyandarua, Nakuru, Elgeyo Marakwet, Bomet; Wheat - Narok, Nakuru, Meru, Uasin Gishu; Rice - Kirinyaga, Kisumu, and Busia.

In 2022/23, the Authority continued to implement the Irish potato project which was funded by Government of Kenya and The International Fund for Agriculture Development (IFAD). The total project funds were KShs. 196,414,000. The project's objective was to revitalize Irish potato production in support of rural small-scale Irish potato farmers affected by the COVID- 19. The project targeted distribution of subsidized seeds and other farms inputs to 8,000 Irish potato farmers in Meru, Nyandarua and Elgeyo Marakwet. The project was successfully completed in December 2022 with a total of 8,148 beneficiaries who received a subsidized package of Certified Irish Potato seeds, Fertilizers and Agro- chemicals.

To Strengthened technological & innovation capabilities, the Sugar sector continues to grapple with high costs of production in operations across the entire value chain, from farm to shelf. In an endeavor to harness home-grown innovative technological solutions to reduce production costs, hence enhance competitiveness in the sub-sector, the Sugar Directorate, in 2022/23 convened an Annual Sugar Industry Innovation Symposium, where stakeholders showcased innovations relevant to the sugar sector, created networks and exchanged ideas with the aim of enhancing competitiveness in the subsector.

9. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

During the financial year 2022/23, the Authority was working towards developing a Sustainability Strategy, however, interventions to ensure sustainability were mainstreamed in AFAs enforcement of various regulations, policies and legislations governing the scheduled crops to ensure Good Agricultural and Manufacturing practices. The Authority undertakes routine monitoring of its flagship projects address emerging gaps through the support of management and ensure future sustainability of the projects.

ii) *Environmental performance*

Currently, the Authority does not have an Environmental Policy but ensures that full implementation of issued Government guidelines are adhered to from time to time. Additionally, in light of the challenges presented by climate change, the Authority through its Technical and Advisory services is engaged in sensitisation and capacity building of counties on adopting Climate Smart Agriculture practices. To mitigate on climate change, the Authority also distributed tree seedlings to various stakeholders.

iii) *Employee welfare*

The mandate of AFA is to regulate the Crops Sector in Kenya to ensure compliance with the regulatory framework, standards, and codes of practice. Regulation fosters a thriving competitive environment where innovation, technological progress, order and quality flourish, for sustainable economic growth. In pursuit of the stated mandate, general staffing matters and requisite skills are very crucial and of paramount importance.

In compliance with the best human resource management practices, AFA is guided by the applicable Labour Laws of Kenya namely, the Constitution of Kenya, the Employment Act, the Labour Relations Act, the Labour Institutions Act, Occupational Health and Safety Act and the Work Injury Benefits Act. In addition to the labour statutes in managing human resources, the Authority makes reference to the AFA Act, States Corporation Act, Exchequer & Audit Act and others. To supplement, the statutes AFA also makes reference to various regulations, policies, human resource policy instruments and circulars.

The Authority in implementing human resource functions and processes, especially in regard to the hiring of staff to fill vacant positions, always refers to all the afore mentioned Human Resource Statutes, regulations, policies, guidelines and circulars. The Human Resource Policy Instruments currently in use were issued to the Authority by the Cabinet Secretary in 2014 upon the establishment of AFA. These include the Organization Structure, Human Resource Policy and Procedures Manual and Career Guidelines. As a cardinal rule, AFA monitors and where applicable regularly reviews the internal policies in line with the changing needs, compliance related directives and requirements of our customers and other relevant interested parties. AFA has initiated the review of its Human Resource Policy Instruments which are currently at an advanced approval stage.

In order to have an objective approach to the hiring process and to comply with the applicable gender ratio, AFA is guided by the Human Resource Policy Instruments. The Organization structure and Staff Establishment control the number of staff in terms of technical versus corporate services staff ratios, while the Career Guidelines provide a framework on which the various cadres in the technical and corporate services are structured and graded. Career Guidelines provide a record of the duties, responsibilities and requirements of a particular job. The career guidelines are designed to ensure that the career path of every individual employee in AFA is catered for.

In addition, Career Guidelines enable AFA to audit the current jobs in order to inform Human Resource Planning. The job specifications provided in the Career Guidelines enables AFA to plan for anticipated job openings and how to obtain qualified employees to fill the gaps, including whether to recruit internally through promotions and/or transfers or externally through advertisements. Similarly, provision of duties and responsibilities enable employees to have a clear understanding and demands of the job, thereby reducing communication problems related to Performance Management and Performance Appraisal.

Due to the national embargo on recruitment, the authority is faced with staffing challenges, mainly inadequacy of technical staff and skewed workforce which is heavy on support services personnel. For this reason, AFA has been relying on seconded staff and also engaging staff on temporary contracts to support the very needy areas through on boarding those who have been on internship. However, with the appointment of the Board, AFA has initiated the process of filling the staffing gaps through the laid down recruitment procedures. It is envisaged that this will give a more permanent solution to the perennial shortage of Technical Staff in the Authority.

Managing the training function is part of the Authority's performance strategy. The Authority has drawn this performance strategy from the National Strategy for Human Resource Development and Human Resource Planning, which serves as an important element that is contributing to the economic and social progress towards realization of the national goals and priorities of the country.

The Authority has put in place mechanisms to ensure the training function achieves its objectives by constituting a Training Committee which is responsible and accountable for managing the training function, appropriately structuring the training function within the whole scope of the Authority to cover aspects of organizational structure and culture, operational strategy and management style.

The Authority in an effort to improve staff skills and competencies has developed a Training Policy, which provides the structure for managing training processes and approvals. This structure includes a Training Committee with representation from Directorates and all functional Heads. The Committee is further supported by sub-committees from each Directorate. The Authority undertakes annual training needs assessment (TNA) in each Financial Year with the assistance of the training sub-committees and the main training committee. With the identified training needs, the Authority to develop a training plan which is interrogated by the respective Training Committee and Sub-committees. Once agreed upon, a training plan is generated for approval by the Director General and submitted to the Human Resource Development Department for implementation. The Performance Appraisal Process has incorporated an element of training needs assessment to be agreed upon by the Appraiser and the Appraisee during the appraisal process. In the training plan, the Authority has been able to build leadership, management, supervisory and technical capacity of staff in the various functions.

During the financial year 2022/23, the Authority undertook Training Needs Analysis, derived and prioritized the training needs for the year. The projected training needs and training plan for the year was approved and its subsequent implementation initiated. However, on 7th November 2022, the National Treasury and Economic Planning issued a circular on the Guidelines for the Revision of the Estimates of Expenditure and Revenues for the Financial Year 2022/2023. The circular among other guidelines rationalized the Budget Estimates and controlled the expenditures by initiating the austerity measures on the provisions for operations and maintenance. Training Expenses were reduced by 100%

of the remaining balances. Thus the Authority complied and this affected the realization of the approved training plan.

That notwithstanding, the Authority was able to carry out 126 training programs for staff members which translates to 26.58 % percentage of the projected 474 programs approved for the financial year 2022/2023 trainings for implementation across the Departments and Directorates in various disciplines. We note the trainings undertaken were mainly for staff who require Continuous Professional Development (CPDs) to be in good standing with various professional bodies.

The Authority encourages staff members to join Professional Membership Associations and facilitates the payment of annual subscriptions as well as support each member's professional body to attain CPD points earned during conferences, seminars, congresses and workshops. As such, the Authority was able to pay subscriptions for 39 staff members to various Professional bodies, amounting to KShs. 1,194,670.00 in the financial 2022/2023.

iii) Health and Safety

The Authority recognizes that a healthy workforce contributes to the productivity of the organization. It therefore invests in the welfare of its employees through the provision of a Medical scheme that caters for all the medical needs of the employees and their immediate family members. In addition to the scheme, the Authority has established additional safety nets to address medical matters. Specifically, the authority has a medical ex-gratia arrangement and an excess of loss cover as part of the Medical scheme. Furthermore, the Authority has put in place Insurance cover for staff such as Group life cover, WIBA/GPA and Public Liability Cover. The Insurance cover is to address any illnesses, accidents or injuries which may arise in the course of their duty. The WIBA/GPA 24-hour cover comes into play to compensate the specific staff as provided in the WIBA Act.

The Authority has an OSH policy that guides in the undertaking of Safety and Health matters through the OSH Committee and sub-committees. The main objective of the OSH Policy is to ensure conducive work environment and free from injuries and accidents for all staff members in line with the Occupational Safety and Health Act, 2007. The Authority has appointed and undertaken annual training for the OSH Committee, First Aiders and Fire Marshalls to be equip with the necessary skills to execute their roles.

iv) *Market place practices-*

The Authority ensures full compliance and adherence to the Public Procurement and Asset Disposal Act 2015 and Regulations 2020 in addition to other supporting regulations/legislation.

The Supply Chain Department is responsible for the acquisition of goods, works and services at the right price, from the right source, at the right specification that meets the user's needs in the right quantity and delivery done at the right time and to the right internal customer. This function is carried out in strict adherence to the Public Procurement and Asset Disposal Act, 2015 and the Public Procurement and Disposal Regulations, 2020.

a) *Responsible competition practice.*

The Supply Chain department ensures the tendering process is fair as it plays an important role in procurement because they provide a way for suppliers to compete for contracts. By making the process more open and transparent, tender processes help ensure that the best possible suppliers are chosen.

The supply chain department also ensures Good working relationships with suppliers as maintaining good relationships with suppliers will not only deliver cost savings but will reduce delays and quality issues. AFA has committed to the following to ensure Responsible Supply chain and supplier relations

1. Be fair with our suppliers

AFA understands that if the supplier feels that they are not being treated fairly they may be unhappy with the supplier relationship and not perform to the requirements of the agreement. If the buyer feels that they are being treated unfairly they may resent having the agreement with the supplier and look to source elsewhere. This is not to say that either party should roll over for every requirement of the other. Fair means being treated reasonably based on the requirements of the contract and the supplier relationship.

2. Understand and honour contractual obligations

The Authority needs to have confidence that the supplier is delivering what they are being paid for. In turn, the supplier needs confidence they will be paid fairly and in a timely manner for the goods, services and works they have provided. In a positive supplier relationship, both sides understand and uphold their obligations, and the best way to ensure this is to utilize trading agreements that clearly state the terms of the deals. Regular interaction with mutual respect, openness and fairness will ensure effective communication which keeps the agreement on track and the supplier relationship thriving.

3. Honoring payment promptly

AFA honors payments terms to suppliers upon verification of Goods, and services and works through technical department reports to ensure that the Authority is processing payments for suppliers who have accomplished their assignments to achieve value for money

4. Access to Government Procurement Opportunities (AGPO)

During the FY 2022/23, the Authority ensured that the 30% threshold as prescribed in the PPDA Act, 2015 and Regulations, 2020, to AGPO, was maintained but due to financial constraints, the Authority only achieved 17% of its total procurement to the special group's Youth, Women & PWD.

v) *Corporate Social Responsibility / Community Engagements*

To facilitate execution of CSR programmes, AFA has developed a CSR Policy that is aligned to the Vision 2030. The Policy's key focus is on the following areas: Community Development, Education, Environmental Management, National disaster and Humanitarian support.

Agriculture and Food Authority is committed to being a responsible corporate citizen through the support for appropriate non-political and non-sectarian projects and local charities both with financial and non-financial donations. We aim at supporting the creation of prosperous, educated, sustainable and healthy communities in the environments in which we operate. With a focus on education, health, Sports and the environment, we have developed targeted programmes for local communities, involving commercial sponsorship and significant employee engagement through direct involvement.

As such, the Authority mobilized staff to donate clothing and dry food stuff to three vulnerable groups; namely, Brosisony and Wayamo groups in Awendo, Dak Achana group in Ndhiwa, Amkeni group in Malava and Acheke group in Chemelil.

10. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Authority's affairs.

i) Principal activities

The principal activities of the Authority are to develop, promote and regulate the scheduled crops in line with the provisions of the Agriculture and Food Authority Act No. 13 of 2013 and the Crops Act No. 16 of 2013.

ii) Results

The results of the Authority for the year ended June 30, 2023, are set out on page 1 to 10

iii) Directors

The members of the Board of Directors who served during the year are shown on page xi to xiv. All the members of the Board were appointed on 24th March 2023 vide Gazette Notice No. 3667. There were therefore no Board members due for retirement and none has exited the Board.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Authority did not remit any funds to the consolidated funds since the surplus was committed for settlement of the pending bills including staff arrears arising from harmonization of staff remuneration for the period from 2014/2015 FY to 2019/2020 FY amounting to KShs. 1.17B.

v) Auditors

The Auditor-General is responsible for the statutory audit of the Authority in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board

Name: ANDREW ESODO Sign: [Signature] Date: 11/12/23

Corporation Secretary/Secretary to the Board

11. Statement of Directors Responsibilities

Sec. 81 of the Public Finance Management (PFM) Act 2012, Sect 19 of the Agriculture and Food Authority Act 2013 and Sec. 14 of the State Corporations Act Cap 446 require the Board of the Authority to prepare financial statements in respect of Agriculture and Food Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year and the operating results of the Authority for that year. The Board is also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Board is also responsible for safeguarding the assets of the Authority.

The Board is responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on June 30, 2023. These responsibilities include:

- (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 Authority;
- (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 Authority;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board accepts responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Board is of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2023, and of the Authority's financial position as at that date. The Board further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

**Agriculture and Food Authority
Annual Report and Financial Statements
For the year ended June 30, 2023.**

Nothing has come to the attention of the Board to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Authority's financial statements were approved by the Board on **28th September 2023** and signed on its behalf by:



.....
Hon. Connelly Serem

Board Chairman



.....
Willis Audi

Director General

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON AGRICULTURE AND FOOD AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2023

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 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

Qualified Opinion

I have audited the accompanying financial statements of Agriculture and Food Authority set out on pages 1 to 67, which comprise of the statement of financial position for the year ended 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

Report of the Auditor-General on Agriculture and Food Authority for the year ended 30 June, 2023

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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial statements of Agriculture and Food Authority for the year ended 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual) and comply with the Public Financial Management Act, 2012.

Basis for Qualified Opinion

1. Long-Outstanding Debts from Exchange Transaction

The statement of financial position reflects long-term receivables from exchange transactions balance of Kshs.3,112,161,000 as disclosed in Note 22(b) to the financial statements. The balance includes amounts due from levy arrears and Sugar Development Fund of Kshs.2,883,039,000 and Kshs.229,122,000 respectively both totalling to Kshs.3,112,161,000. These balances have been outstanding for over three years without any recoveries to date. In addition, the Authority has made no provision for doubtful debts as provided for in paragraph 7.4.1 of Agriculture and Food Authority Finance Policy and Procedures manual 2018.

In the circumstances, the accuracy and recoverability of long-term receivables of Kshs.3,112,161,000 could not be confirmed.

2. Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment net book balance of Kshs.11,308,026,000 and as disclosed in Note 24 to the financial statements. Review of records revealed the following anomalies.

2.1. Unconfirmed Ownership of Land

- i. The balance includes seventeen (17) parcels of freehold land valued at Kshs.6,664,284,000 out of which thirteen (13) parcels of land valued at Kshs.5,170,700,000 had no evidence of ownership vesting with the Authority due to lack of ownership documents,
- ii. As previously reported, the balance includes land on which six of the seven depots of the defunct Horticultural Crops Development Authority (HCDA) are located do not have ownership documents. In addition, the depot located in Machakos County was taken over by the County Government of Machakos for office use in the year 2013 and is no longer accessible to the Authority staff and no evidence was provided that the county Government signed a lease agreement with the HCDA.
- iii. Included in the property, plant and equipment balance are two parcels of land valued at Kshs.1,280,000,000 relating to the former Horticultural Crops Development Authority. The parcels include a plot situated along Mombasa Road, measuring 3.5

hectares valued at Kshs.692,000,000 which was allocated to a private developer despite the Authority having an allotment letter and a parcel of land at the Jomo Kenyatta International Airport (JKIA) valued at Kshs.588,000,000 where the Horticultural Crops Directorate (HCD) is located whose details of ownership was not provided.

2.2. Exclusion of Property, Plant and Equipment

As reported in previous years, the property, plant and equipment balance exclude values of various assets as explained below:

- i. Ten (10) acres of land situated in Wundanyi, Taita-Taveta County;
- ii. Land of undetermined acreage situated in Kitui valued at Kshs.36,600,000 allocated to the defunct Horticultural Crops Development Authority.
- iii. Land of undetermined acreage valued at Kshs.4,000,000 allocated to the defunct Cotton Board of Kenya.
- iv. Seven (7) acres of land in Mtwapa that was allocated to the defunct Kenya Coconut Development Authority by the defunct Kenya Agricultural Research Institute (KARI). In addition, the ownership had not been transferred by the KARI to the Authority by the time it ceased to exist upon the commencement of the Crops Act, 2013.
- v. The property in Riverside Estate where the defunct Cotton Development Authority's head office was located.

2.3. Failure to Revalue Fully Depreciated Assets

The statement of financial position and as disclosed in Note 24 to the financial statements reflects historical cost of property, plant and equipment of Kshs.13,151,476,000. Review of the assets register revealed that assets with a historical cost of Kshs.1,434,254,000 that were fully depreciated were still in use by the Authority. No explanation from Management has been given for failure to revalue the assets to reflect their fair values.

2.4. Logbooks in the Name of Defunct Institutions and Boards

The property, plant and equipment balance includes an amount of Kshs.89,870,000 relating to motor vehicles. Review of related records held by the Authority revealed that on commencement of the Crops Act, 2013 on 1st August, 2014, the former Regulatory Institutions in the Agriculture Sector were merged into Directorates under the Authority. As reported in the previous year, the ownership documents of seventeen (17) motor vehicles are still registered in the defunct institutions' names. Evidence of Management effort to register the vehicles in the Authority's name was not provided.

In the circumstances, the accuracy and completeness of property, plant and equipment of net book balance of Kshs.11,308,026,000 could not be confirmed.

3. Unsupported Fixed Deposit Account Balances

The statement of financial position reflects cash and cash equivalents balance of Kshs.3,197,838,000, and as disclosed in Note 20 to the financial statements. Included in

this balance is fixed deposit account balances amounting to Kshs.1,745,819,000. The balance further includes an amount of Kshs.8,582,000 held in an escrow account. Management explained that a judgement releasing the money to the creditor was made on 8 November, 2017. It is not clear why the amount is still reflected in the Authority's books. In addition, the balance was not supported with a bank statement or certificate of bank balance.

Further, the balance also includes Kshs.52,237,000 held at Euro Bank, which was placed under receivership. Payments are pegged on availability of funds thus the amount is still not accessible to the Authority.

In the circumstances the accuracy and completeness of cash and cash equivalents balance of Kshs.3,197,838,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Agriculture and Food Authority 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 qualified 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

Prior Year Matters

Several issues were raised in the audit report of the previous year. However, Management has not resolved the issues nor given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circulars.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Failure to Operationalize the Cane Testing Unit

The statement of financial performance reflects expenditure on special programmes of Kshs.673,480,000 which as disclosed in Note 14 to the financial statements includes expenditure on cane testing units of Kshs.587,430,000. Records provided for audit revealed that the Authority entered into a contract ref AFA/LM/CON/31/2020 with a firm in the year 2020, for provision of a comprehensive support and maintenance of eleven (11) Cane Testing Units (CTUs) and upgrade of two (2) pilot Cane Testing Units (CTUs) at Sony Sugar Co. Limited and Nzoia Sugar Co. Limited at a total contract sum of Kshs.1,395,293,094.

Physical verification of the works in the beneficiary sugar companies in September, 2023 and review of project records revealed the following anomalies;

- i. Despite the units having been installed in the eleven (11) sugar companies, none has operationalized the Quality-Based Cane Payment System (QBCPS) on the cane delivered rather than on tonnage as no single miller has fully adopted the cane testing unit in its operation.

Although the Management has explained that the Authority developed regulations, The Crops Act, 2013, that will enable operationalization, and that the same has been approved by the Sector Technical Working Group (SWAG) Committee, the operationalization and adoption of the cane testing units by the sugar companies has remained impossible due to failure to enact these regulations to law.

- ii. Though there is a functioning Laboratory Information Management System capable of capturing primary data, the same was not integrated with the weighbridges, sampling point, payment and data collection systems and neither were their card readers to pick the farmers details in their respective factories. The existing millers' ERP systems have also not been integrated with the cane testing units.
- iii. In West Sugar and Sukari Sugar Companies, weighbridges were not aligned to the Cane Testing Units making it difficult to ensure every truck goes through both the cane testing units and the weighbridge.

In the circumstances, delay in operationalization of the cane testing units may result to cost overruns and the intended objective of the project may not be achieved.

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 those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Authority'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 Authority or to cease its 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 Authority'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 controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 January, 2024

12. Report of the Independent Auditor for the Financial Statements

13. Statement of Financial Performance for the year ended 30 June 2023

	Notes	2022/2023	2021/2022
		KShs '000	KShs '000
Revenue from non-exchange transactions			
Transfers from other Governments Entities	6	2,781,392	3,544,930
Levies, Fines, and Penalties	7	2,224,842	380,367
Licenses and Permits	8	266,193	238,175
		5,272,428	4,163,472
Revenue From Exchange Transactions			
Rental Revenue from Facilities & Equipment	9	107,875	114,974
Finance Income	10	104,800	62,293
Other Income	11	347	5,788
Total Revenue		5,485,451	4,346,526
Expenses			
Use of Goods and Services	12	1,035,086	1,157,253
Disbursements	13	1,069,120	1,261,724
Special Programmes	14	673,480	457,412
Employee Costs	15	1,423,281	957,428
Board Expenses	16	13,223	-
Depreciation and Amortization Expense	17	332,602	133,771
Repairs and Maintenance	18	91,449	55,953
Total expenses		4,638,241	4,023,541
Other gains/(losses)			
Gain/Loss on Sale Of Assets		-	275
Gain/Loss on Foreign Exchange Transactions	19	2,126	2,703
Surplus/ (Deficit) Before Tax		849,335	325,963
Taxation		-	-
Surplus/(Deficit) for The Period/Year		849,335	325,963
Remission to National Treasury		-	-
Net Surplus for the Year		849,335	325,963

The notes set out on pages 11 to 63 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 10 were signed on behalf of the Board of Directors by:



Name: Audi Willis
Accounting Officer

Date 11/12/2023



Name: Joseph Muigai
Head of Finance

ICPAK M/No: 5605
Date 11/12/2023



Name: Cornelly Serem
Chairman of the Board

Date 11.12.23

14. Statement of Financial Position as at 30 June 2023

			Restated	
	Notes	2022/2023	2021/2022	2021/2022
		KShs '000	KShs '000	KShs '000
Assets				
Current Assets				
Cash and Cash Equivalents	20	3,197,838	1,647,254	1,673,100
Staff Mortgage Fund	21	732,919	780,989	780,989
Receivables from Exchange Transactions	22 (a)	394,780	380,008	380,008
Receivables from Non-Exchange Transactions	23	138,704	16,339	16,339
Total Current Assets		4,464,241	2,824,590	2,850,436
Non-Current Assets				
Property, Plant and Equipment	24	11,308,026	9,574,474	9,574,474
Investments	25	389	389	389
Intangible Assets	26	115,583	4,623	4,623
Receivables from Exchange Transactions	22 (b)	3,112,161	3,112,161	3,112,161
Total Non- Current Assets		14,536,158	12,691,647	12,691,647
Total Assets		19,000,398	15,516,237	15,542,083
Liabilities				
Current Liabilities				
Trade and Other Payables	27	527,047	862,880	862,880
Refundable Deposits from Customers	28	62,753	24,073	24,073
Current Provision	29	67,047	66,670	66,670
Deferred Income	30	133,365	-	-
Employee Benefit Obligation		-	785,789	785,789
Total Current Liabilities		790,213	1,739,412	1,739,412
Non-Current Liabilities				
Non-Current Employee Benefit Obligation	31	1,196,810	-	-
Non-Current Liabilities	32	771,597	326,820	326,820
Total Non- Current Liabilities		1,968,407	326,820	326,820
Total Liabilities		2,758,620	2,066,232	2,066,232
Net Assets				
Reserves		9,270,533	9,270,533	9,270,533
Accumulated Surplus		(236,268)	(1,072,940)	(1,047,095)
Capital Fund		1,320,966	1,320,966	1,320,966
Grant Reserves		5,886,548	3,931,446	3,931,446
Total Net Assets		16,241,779	13,450,004	13,475,850
Total Net Assets and Liabilities		19,000,399	15,516,237	15,542,083

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Employee obligation has been reported under Non-Current Liabilities the amount of representing provision for harmonization which relates to salaries between FY 2014-15 and 2019-2020

Non- Current Liabilities reported at KShs 771.597 million from KShs 326.820 after an amount of 444.777 categorized as non- current liabilities and not under current liabilities.


Cash and cash equivalent for the FY 2021-2022 has been restated as explained under note No. 20

The financial statements set out on pages 1 to 10 were signed on behalf of the Board of Directors by:


.....

Name: Audi Willis
Accounting Officer

Date 11/12/2023
.....


.....

Name: Joseph Muigai
Head of Finance

ICPAK M/No: 5605
Date 11/12/2023
.....


.....

Name: Cornelly Serem
Chairman of the Board

Date 11/12/23
.....

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15. Statement of Changes in Net Assets for the year ended 30 June 2023

	Revaluation Reserve KShs '000	Retained Earnings KShs '000	Capital Reserve KShs '000	Grants Reserve KShs '000	Total KShs '000
As at July 2021	9,780,913	391,172	1,253,742	3,931,446	15,357,273
Surplus for the Period	-	325,963	-	-	325,963
Retained Earnings Utilised During the Year	-	(306,277)	306,277	-	-
Restatement of Mortgage Account	-	(3,498)	-	-	(3,498)
Transfers to/from Reserves	(510,380)	(1,454,454)	(239,053)	-	(2,203,888)
Balance as at 30 June 2022	9,270,533	(1,047,095)	1,320,966	3,931,446	13,475,850
As at July 2022	9,270,533	(1,047,095)	1,320,966	3,931,446	13,475,850
Adjustments on Retained Earnings	-	*(38,509)	-	-	(38,509)
Surplus for the Period	-	849,335	-	-	849,335
Capitalization of Cane Testing Units	-	-	-	1,955,102	1,955,102
Balance as at 30 June 2023	9,270,533	(236,268)	1,320,966	5,886,548	16,241,779

*Note:

Adjustment on retained earnings of KShs 38,508,705 is explained as below:

1. KShs 8,096,721 was an adjustment of retained earnings to correct a double posting of levy incomes in 2015/2016
2. FY KShs 1,042,984 for retained earnings adjustment to recognise a payable to the Tea Board of Kenya for rental income collected on their behalf in the FY 2021-22.
3. KShs 3,524,000 being an adjustment of the mortgage fund with the interest of KShs 4,843,134 of the FY 2021-2022 and Tea Board of Kenya netted interest of KShs 1,320,000
4. KShs 25,845,792 being restatement of cash and cash for Letter of Credit executed for the Sugar Reforms not reported in the FY 2021-2022

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16. Statement of Cash Flows for the year ended 30 June 2023

	NOTES	2022/2023	2021/2022
		KShs '000	KShs '000
Cash Generated from Operations			
Surplus for the Year Before Tax		849,335	325,963
Adjusted for:			
Depreciation	17	332,602	133,771
Adjustments on Retained Earnings		(38,509)	-
Gains & Losses on Disposal of Assets/ Foreign Exchange		(2,126)	(2,978)
Mortgage and Car Loan Fund		-	(3,498)
Transfers to TBK		-	(1,194,937)
Capitalization of Cane Testing		1,955,102	-
Finance Income	10	(104,800)	(62,293)
Working capital adjustments:			
Increase/Decrease in Receivables	22&23	(137,136)	58,243
Increase/Decrease in Deferred Income	30	133,365	-
Increase/Decrease in Payables	27-32	559,022	121,814
Net Cash Flows from Operating Activities		3,546,855	(623,914)
Cash Flows from Investing Activities			
Purchase of Property, Plant, Equipment & Intangible Assets	24&26	(2,177,113)	(371,661)
Proceeds from Sale of Property, Plant and Equipment		-	275
Gains & Losses on Disposal of Assets/ Foreign Exchange	19	2,126	2,978
Finance Income	10	104,800	62,293
Net Cash Flows used in Investing Activities		(2,070,187)	(306,116)
Cash Flows from Financing Activities			
Mortgage and Car Loan Fund		48,070	(7,953)
Net Cash Flows used in Financing Activities		48,070	(7,953)
Net Increase/(Decrease) in Cash and Cash Equivalents		1,524,738	(937,982)
Cash and Cash Equivalents at 1 July		1,673,100	2,611,082
Cash and Cash Equivalents at 30 June		3,197,838	1,673,100

17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	KShs 000'	KShs 000'	KShs 000'	KShs 000'	KShs 000'	
RECURRENT BUDGET	A	b	C=(a+b)	d	e=(c-d)	F=d/c
Revenue						
Transfers from other Governments Entities	1,750,300	799,700	2,550,000	2,781,392	231,392	109%
Levies, Fines, and Penalties	196,606	376,293	572,899	2,224,842	1,651,943	388%
Licenses and Permits	140,000	20,000	160,000	266,193	106,193	166%
Rental Revenue from Facilities and Equipment	173,812	-	173,812	107,875	(65,937)	62%
Finance Income	51,358	8,000	59,358	104,800	45,442	177%
Other Income	-	-	-	347	347	100%
Reserves	-	-	-	-	-	100%
Total income	2,312,076	1,203,993	3,516,069	5,485,451	1,969,381	156%
Expenses						
Use Of Goods And Services	878,476	212,004	1,090,480	1,035,086	55,394	95%
Employee Costs	964,384	47,507	1,011,892	1,423,281	(411,389)	141%
Board Expenses	19,098	10,902	30,000	13,223	16,777	44%
Disbursements	113,000	530,000	643,000	1,069,120	(426,120)	166%
Special Projects	190,000	370,000	560,000	673,480	(113,480)	120%
Depreciation & Amortization Expense	77,500	26,328	103,827	332,602	(228,775)	320%
Repairs and Maintenance	69,340	7,344	76,683	91,449	(14,766)	119%
Total Expenditure	2,311,798	1,204,084	3,515,882	4,638,241	(1,122,359)	132%
Gain on Sale of Assets	-	-	-	2,126	2,126	100%
Surplus for the Period	278	(91)	187	849,335		

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CAPITAL EXPENDITURE									
CTU Buildings	-		-		-	281,476		(281,476)	
Automobiles	88,500		-		88,500	98,481		(9,981)	111%
Computer and Electronic Equipment	18,190		-		18,190	34,533		(16,343)	190%
Plant and Equipment	-		100,000		100,000	1,217,237		(1,219,349)	1217%
Office and Communication Equipment	5,500		-		5,500	6,216		(716)	113%
Furniture and Fittings	7,500		-		7,500	3,468		4,032	46%
Hot Water Treatment Plant	-		53,600		53,600	11,717		41,883	22%
Work in Progress-CTU	-		-		-	381,208		(381,208)	
Mortgage and Car Loan	-		150,000		150,000	-		150,000	0%
TOTAL CAPITAL BUDGET	119,690		303,600		423,290	2,034,337		(1,713,160)	

VARIANCE ANALYSIS

Variances arising from a comparison between the budget and actual performance is explained as follows:

1. Transfers from Other Government Entities

The total amount received by the Authority at the end of the year ended 30th June 2023 from other Government Entities is KShs 2.78 billion, this being recurrent and development grants. During the financial year, the Authority also received an amount of KShs 139.8 million from IFAD for the Irish Potato Revitalization Project and 42.5 million being GoK Counterpart Funding. Of the KShs. 42.5m, KShs 12.5 million is reported in the Statement of Financial Performance while KShs 30 million is reported in the Statement of Financial Position as deferred income and disclosed under Note no. 30. The Authority received from the exchequer an amount of KShs 222 Million for cane testing unit's projects which was for the budget of the FY 2021-22.

2. Levies, Fines and Penalties

The total amount received by the Authority at the end of the year is KShs 2.224 billion against a target of KShs. 572 million registering a positive variance of KShs 1.6 Billion. This was a result of the efficiency of the Integrated Management Information System being implemented by The Authority to collect cess and levies of the scheduled crops.

3. Licences and Permits

The total amount received by the Authority at the end of the year of is KShs 266.19 million against a target of KShs. 160 million registering a positive variance of KShs 106 million. This positive variance was attributed by the annual licences for the Industries players.

4. Rental Income from Facilities and Equipment

The total amount received by the Authority at the end of the year is KShs 107 million against a target of KShs. 173 million registering a negative variance of KShs 65.9 million. This target was not met due to low occupancy as covid-19 pandemic affected most businesses at the Authority's Kahawa house.

5. Finance Income

The target that was set by the Authority of KShs 59.3 actual received being KShs 104.8 million, giving a positive variance of KShs 45.4 million.

6. Use of Goods and Services

This Comprises of expenditure for technical and administrative functions of the authority as follows:

	KShs '000
Technical and Advisory Services	152,955
Regulation and Compliance	161,294
Market Research and Product Development	127,419
Administrative expenses	593,417
TOTAL	1,035,085

The Authority had budgeted to spend KShs. 1.090 billion on the use of goods and services in the financial year 2022/23. The actual expenditure was KShs 1.035 billion registering a positive variance of KShs 55.1 million attributed to enhanced operations to undertake programmes and project.

7. Personnel Cost

The Authority had budgeted to spend KShs. 1.011 billion on staff salaries and wages in period, the actual expenditure was KShs. 1.012 million, a provision for harmonization which relates to salaries between FY 2014-15 and 2019-2020, was made within the financial year amounting to KShs 411.02 million leading to the negative variance.

8. Board Expense

The Authority had budgeted to spend KShs. 30 million. Actual expenditure for the newly appointed Board was KShs 13.2 giving a positive variance of KShs 16.7 million

9. Disbursements

This relates to funds for payments of arrears for sugar cane farmers and the rehabilitation of Government owned sugar mills. The Authority received an amount of KShs 500 million during the financial year to pay farmers. In addition, the Authority continues to implement the disbursements of the previous year's funds received amounting of KShs 1.5 billion to disburse funds for rehabilitation of the Government owned mills which.

10. Special Project

The Authority had budgeted to spend KShs. 560 million on special projects but the actual expenditure was KShs 673 million. An amount of KShs 222 million received during the year project was allocated for the Cane Testing units projects relating to the previous year. As at the reporting date, the programmes were ongoing. Projects undertaken in the period included;

	KShs '000
Cotton Revitalisation	76,156
Farmers Data Registration	9,895
Cane Testing Units	587,430
TOTAL	673,480

11. Repairs and Maintenance

The Authority had budgeted to spend KShs. 76.6 million on repairs and maintenance but the actual expenditure was KShs 91.4 million. The negative variance of 14.8 million attributable by the fact that some repair works which had not been completed in the previous year were undertaken during the year.

12. Depreciation and Amortisation

The Authority had provided for KShs. 103.8 million for depreciation of assets in year but the actual depreciation was KShs 332.6 million, registering a negative variance of KShs 228.7 million. The negative variance relates to the Cane Testing Unit depreciation which were capitalized during the year.

18. Notes to the Financial Statements

1. General Information

Agriculture and Food Authority is established by and derives its authority and accountability from the Agriculture and Food Authority Act No. 13 of 2013. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The Authority's principal activity is to develop, promote and regulate the scheduled crops in Kenya.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value and impaired assets at their estimated recoverable amounts. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Authority. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Agriculture and Food Authority Act and International Public Sector Accounting Standards (IPSAS). The statements also comply with the guidelines issued by the Public Sector Accounting Standards Board (PSASB). The accounting policies adopted have been consistently applied to all the years presented.

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Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Authority's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Authority's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>The standard impact on the operation of the Authority in terms of receivable and payables and the aging of the same has been presented in the financial report</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Authority provides in its financial statements about social benefits. The</p>

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	<p>information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Authority.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Authority’s financial performance, financial position and cash flows.</p> <p>By the definition of the social benefit in the standard, the standard has no effect on the financial statements of the Authority</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>The amendments of IPSAS 5, 30 and 33 does not directly impact the operation of the Authority do not have any relevance to the financial statements.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • <i>IPSAS 29: Financial instruments: Recognition and Measurement.</i> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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Notes to the Financial Statements (Continued)

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Authority.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>IPSAS 43 may have an impact on the operating leases of the Authority and this may therefore mean the Authority will adopt for proper presentation of leases in the financial Statements</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>IPSAS 44 may have an impact on the operations of the Authority and may therefore be applicable in the future</p>

iii. **Early adoption of standards**

AFA did not early adopt IPSAS 43 or amended standards in the financial year

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Levies and Fees

The *Authority* recognizes revenues from levies and fees when the event occurs, and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Authority and the fair value of the asset can be measured reliably.

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 Authority and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Authority recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Summary of Significant Accounting Policies (Continued)

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Authority's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for the Current FY was approved by the National Assembly on 7th April 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Authority upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Authority recorded reduced appropriations of *KShs. 100 million* on the 2022/2023 budget following the governing body's approval. At the same time the Authority received approval for utilization of more of the A-I-A of *KShs. 986 million*

The Authority's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts

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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 xxx of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Authority operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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Summary of Significant Accounting Policies (Continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable *Authority* and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. **(Authority to amend appropriately based on the model adopted)** Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying

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amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Authority recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value

The Authority applied the Straight Line Method for depreciating all fixed assets as follows: -

Asset	Depreciation Rate	Useful Life
Land		Leasehold period
Buildings	2.50%	40yrs
Plant & Equipment	12.50%	8yrs
Motor Vehicles	25.00%	4yrs
Computers	33.30%	3yrs
Office & Communication Equipment	12.50%	8yrs
Furniture, Fixtures & Fittings	12.50%	8yrs

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Authority. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Authority also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Authority will

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obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Authority. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

The Authority applied the Straight Line Method for amortizing intangibles as follow;

Asset	Amortizing Rate	Useful Life
Intangible Assets	20%	5yrs

h) Research and development costs

The Authority expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Authority can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

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Summary of Significant Accounting Policies (Continued)

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Authority does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Authority's financial statements. A financial instrument is any contract that gives rise to a financial asset of one Authority and a financial liability or equity instrument of another Authority. At initial recognition, the Authority measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

j) Financial assets

Classification of financial assets

The Authority classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Authority's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Authority has made irrevocable election at initial recognition for particular investments in equity instruments.

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

Based on the business model and the cash flow characteristics, the Authority classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the Authority manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The Authority assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Authority recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

k) Financial liabilities

Classification

The Authority classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

l) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Authority.

Summary of Significant Accounting Policies (Continued)

m) Provisions

Provisions are recognized when the *Authority* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Authority* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

n) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Authority recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Authority will incur in fulfilling the present obligations represented by the liability.

o) Contingent liabilities

The Authority 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.

p) Contingent assets

The Authority 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 Authority 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.

Summary of Significant Accounting Policies (Continued)

q) Nature and purpose of reserves

The Authority creates and maintains reserves in terms of specific requirements. In accordance with IPSAS 1: Presentation of financial Statements, where an entity has no share capital, it shall disclose net assets/ equity, either on the face of the statement of financial position or in the notes, showing separately: contributed capital, accumulated surpluses, reserves (including a description of the nature and purpose of each reserve within net assets/ equity; and minority interests. The Authority maintains the following reserves for the purposes stated: -

1. **Capital Reserve** – This represents the seed money/capital advanced or granted by the government for establishment of the defunct State Corporations forming the Authority. It is primary reserve that finances major assets of the Authority.
2. **Revaluation Reserve** – This is the reserve created from revaluation of fixed assets i.e. the difference between the carrying amount and the fair value of fixed assets in accordance with IPSAS 17: Plant, Property and Equipment. This is necessary for the proper accounting of fixed asset values, under fair value accounting and therefore has been reported separately in financial statements.
3. **General Reserve** – This is created from accumulated surplus of the Authority and is used to strengthen the liquid resources of the Authority.
4. **Grant Reserve** – This relates to grants received from the government for development of the sugar industry

r) Changes in accounting policies and estimates

The Authority recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

s) Employee benefits

Retirement benefit plans

The Agriculture and Food Authority provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an Agriculture and Food Authority pays fixed contributions into a separate Agriculture and Food Authority (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation

Summary of Significant Accounting Policies (Continued)

Gratuity Obligations

The Authority pays service gratuity to staff on contract under their terms of employment. Employee entitlements to gratuity at thirty-one percent of basic pay are recognised when they are accrued to employees. A provision for gratuity payable is made in the statement of financial position. The gratuity is not subject to actuarial valuation.

t) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

u) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

v) Related parties

The Authority regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa. Members of key management are regarded as related parties and comprise the Director General, Heads of Directorates and Heads of Departments.

w) Service concession arrangements

The Authority analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Authority recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Authority also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Summary of Significant Accounting Policies (Continued)

x) 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.

y) Comparative figures

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

z) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the Authority.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

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Notes to the Financial Statements (Continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

The Authority has made provision for payment of salary arrears arising from harmonization of staff remuneration for the period from 2014/2015 to 2019/2020 financial years. Since the formation of AFA the staff were working on different terms of service coming from the former institutions. This was a contravention of Article 41 of the Constitution of Kenya 2010 and Sec. 5 of the Employment Act 2007. The amount provided for is KShs. 1.2B.

6. Transfers from Other Government entities

This relates to funds received from the exchequer through the parent Ministry for both recurrent and programmes. During the financial year, the Authority also received donor funding from IFAD to undertake the Irish Potato Project. The Government grant are received on a quarterly basis based on the approved budget

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Unconditional grants		
Operational grant	1,347,000	1,657,586
Sugar Cane Farmers Arrears and Factory Rehabilitation	500,000	1,500,000
Cotton Revitalization Project	30,000	75,000
Cane Testing Units Project	752,000	220,000
GoK Counterpart Funding IFAD Project	12,500	-
Donor Funding Irish Potato Project	139,892	90,909
Consortium OKP Donor	-	1,185
Total Unconditional Grants	2,781,392	3,544,680
Conditional grants		
Other organizational grants	-	250
Total government grants and subsidies	2,781,392	3,544,930

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b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total transfers 2022/23	Prior year 2021/2022
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Ministry of Agriculture/State Department of Crop Development	2,781,392	130,000	-	2,911,392	3,452,586
Total	2,781,392	130,000	-	2,911,392	3,452,586

7. Levies, Fines and Penalties

This relates to funds received from cess charged from exports and imports

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Cess	251,322	269,292
Other levies - Imports	1,973,520	111,075
Total	2,224,842	380,367

8. Licenses, Fees and Permits

This relates to funds received from licences, fees and permits

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Licenses	151,884	185,579
Fees	76,106	47,204
Permits	38,203	5,392
Total	266,193	238,175

Notes to the Financial Statements (Continued)

9. Rental Revenue from Facilities and Equipment

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Operating lease revenues	107,875	114,974
Total rentals	107,875	114,974

10. Finance Income

It relates to interest from short -term deposits made within the financial year and a portion of interest income from short term deposits that has been earned but not received by the reporting date

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Cash investments and fixed deposits	104,800	62,293
Total finance income	104,800	62,293

11. Other Income

This includes income from sale of disposal of items and other income.

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Others	347	5,788
Total other income	347	5,788

12. Use of Goods and Services

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This relates to expenditure on the crop development, capacity building and technology transfer, expenditure on the regulatory function including compliance monitoring, surveillance, and market development activities including market research, product promotion, and expenditure on the support functions of the Authority.

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Collaborations and Cordinations	27,222	23,024
Stakeholders Capacity Building	71,649	60,053
Environmental Sustainability	3,177	3,433
International Fora/Meetings	9,632	8,325
Seeds Supply & Management	8,102	8,821
Crop Support	33,173	24,054
Registration & Licensing	19,348	16,823
Inspections & Surveillance	35,393	42,524
Development and Review of Standards	28,426	15,298
Quality Analysis	11,750	9,976
Stakeholders Fora	46,494	70,137
International Fora/Meetings	14,616	10,185
Technical Consultancies	4,686	-
Enforcement of Regulations and Standards	582	9,173
Training of Inspectors	-	797
Generic Promotion	28,937	34,354
Market Research & Development	22,645	32,631
Subscriptions to Associations	4,421	2,701
Product Promotion	15,689	17,920
International Conference	38,007	60,926
Value Addition Promotion	12,358	10,794
Market Registration	5,362	6,970
Printing and Stationery	16,353	11,991
Communication Telephone and Postage	41,141	25,284
Vehicle Running Expenses	33,887	38,082
Insurance Expenses	16,299	17,899
Local Travel Expenses	153,799	169,938
Planning Research, Strategy and Monitoring	29,803	40,013
International travel	4,708	9,926
Security	32,576	39,016
Electricity and water	27,810	28,511
Rent and rates	31,553	34,224
Computer Accessories	14,565	13,793
Record management	4,563	5,059

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Cleaning, Garbage & Sanitary	14,866	17,946
Management Fees/Refunds	2,419	2,210
Newspapers, Periodicals, Journals and subscriptions	2,749	3,096
Advertising and Publicity	8	1,952
Bank Charges	3,670	6,829
Staff Welfare	31,842	32,100
Trainings, Seminar, Retreats, Workshops & Conferences	50,731	90,693
Subscriptions to Professional Bodies	1,962	1,212
Staff Uniforms	1,666	699
Team Building	2,697	2,681
Audit Fees	5,655	5,655
Internal Audit/ ISO Audits	18,386	25,005
Legal Services	15,975	25,430
Public relations and corporate branding	5,561	11,124
Shows , Exhibitions & trade fairs	13,735	11,437
Corporate Social Responsibility	2,124	2,633
General Expenses	12,316	13,895
Total Use of Goods and Services	1,035,086	1,157,253

13. Disbursements

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Mumias Farmers	9,483	7,223
Sony Farmers	153	139,725
Muhoroni Farmers	-	138,496
Nzoia Farmers	501,974	283,355
Chemilil Farmers	356	138,544
Muhoroni Sugar Factory Rehabilitation	24,899	147,132
Sony Sugar Factory Rehabilitation	124,125	55,680
Nzoia Sugar Factory Rehabilitation	119,543	74,708
Chemilil Sugar Factory Rehabilitation	135,591	42,969
IFAD Potato Revitalization Project	152,393	90,909
Tea Board of Kenya	-	142,983
Research and Special Project	605	-
Total	1,069,120	1,261,724

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14. Special Programmes

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Cotton Revitalisation	76,156	46,858
Price Stabilization Taskforce	-	104,785
Farmers Data Registration	9,895	88,946
IFAD Potato Revitalization Project	-	1,088
Cane Testing Units	587,430	187,344
International Coffee Organization Conference	-	28,392
Total	673,480	457,412

15. Employee Costs

	2022/2023	2021/2022
	KShs '000	KShs '000
Salaries and wages	978,418	548,466
Employer contribution to staff medical scheme	142,700	89,493
Employer contribution to pension schemes	100,552	111,304
Housing benefits and allowances	109,178	112,793
Social contributions	3,504	1,250
Other employee related costs	88,930	94,122
Employee costs	1,423,281	957,428

The Authority provided for salaries after the harmonization of remuneration from 2014/2015 FY to 2019/2020 FY amounting to Ksh 411 million charged under salaries and wages. Other related employee cost is comprised of commuter allowance, airtime, entertainment allowance, extraneous allowance, hardship allowance, leave allowance disability allowance and responsibility allowance

16. Board Expenses

Members of the Board of AFA were appointed on 24th March 2023

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Sitting allowances	3,842	-
Board Accommodation and Travel	6,395	-
Chairman's Honoraria	267	-
Corporate Governance and Board Training	780	-
Board Other Allowances	243	-
Board Foreign Travel	1,697	-
Total	13,223	-

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Notes to the Financial Statements (Continued)

17. Depreciation and Amortization Expense

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Property, plant and equipment	300,786	130,510
Intangible assets	31,816	3,261
Total depreciation and amortization	332,602	133,771

18. Repairs and Maintenance

This relates to expenditure on repairs and maintenance of the Authority's assets

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Property	56,919	9,811
Equipment and machinery	3,779	9,568
Vehicles	19,808	22,633
Furniture and fittings	70	319
Computers and accessories	10,647	12,961
Others	227	661
Total repairs and maintenance	91,449	55,953

19. Gain/Loss on foreign exchange transactions

This relates the exchange differences arising from translating account with USD balances in to the reporting currency

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Unrealized gain on foreign exchange	2,126	2,703
	2,126	2,703

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Notes to the Financial Statements (Continued)

20. Cash and Cash Equivalents

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Current account	860,118	427,467
On - call deposits	591,900	1,004,814
Fixed deposits account	1,745,820	240,819
Total cash and cash equivalents	3,197,838	1,673,100

Fixed deposits relate to funds on three months fixed deposit awaiting to be applied in the programmes

Detailed Analysis of the Cash and Cash Equivalents

		2022/2023	Restated 2021/2022	2021-2022
FINANCIAL INSTITUTION	ACCOUNT NO	Amount in KShs '000	Amount in KShs '000	Amount in KShs '000
A. CURRENT ACCOUNT				
Kenya Commercial Bank	1110499213	161,255	88,505	88,505
Kenya Commercial Bank	1136148655	368	368	368
Kenya Commercial Bank	1113721383	91	82	82
Kenya Commercial Bank	1135213151	5	5	5
Kenya Commercial Bank	1134347472	50	42	42
National Bank of Kenya	1003000903600	22,555	438	438
Stanbic Bank Kenya Limited	100002304702	6,857	118	118
Co-operative Bank	1141588031600	172,051	37,080	37,080
Co-operative Bank	1120012923300	153	158	158
NCBA Bank	1001419222		257	257
Absa Bank	945019115	141,310	86,272	86,272
Absa Bank	731081123	100,632	36,816	36,816
Citibank N.A.	300026028	171,767	97,559	97,559
Citibank N.A.	300026055	2,194	14,588	14,588
National Bank Of Kenya	1003000906900	9,139	2,358	2,358
Citibank N.A.	300027008	13,082	13,101	13,101
Co-operative Bank	1120000543400	35,548	13,364	13,364
National Bank of Kenya	1001031599900	13,525	22,096	22,096
National Bank of Kenya	1001033092200	30	265	265
National Bank of Kenya	1001009339300	-	512	512
Stanbic Bank-USD	100000672248	9,505	13,483	13,483
Sub-Total		860,117	427,467	427,467

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B. On - Call Deposit				
Co-operative Bank	1003000906900	81,223	-	-
Co-operative Bank	1150588031600	-	318,180	*480,000
Co-operative Bank	1246588031600	35,863	135,974	-
Co-operative Bank	1150000543404	214,731	264,732	264,732
Co-operative Bank	1150000543405	260,083	260,083	260,083
Sub-Total		591,901	978,968	1,004,814
C. Fixed Deposit				
Co-operative Bank	1132012923377	-	100,000	100,000
National Bank of Kenya	01300031599933	100,000	-	-
National Bank of Kenya	01400031599902	-	80,000	80,000
Kenya Commercial Bank	Escrow Account	8,582	8,582	8,582
Euro Bank	Euro bank	52,237	52,237	52,237
Kenya Commercial Bank	MM231809C322	1,585,000	-	-
Sub-Total		1,745,819	240,819	240,819
TOTAL		3,197,838	1,647,254	1,673,100

NOTE:

Cash and Cash balances FY 2021-22 has been restated from KShs 1,673,100,000 to KShs 1,647,255,000 after confirmation of Call account no 01150588031600 and LC account 01246588031600. The balance of KShs 25,845,792 being LCs executed on 18th and 24th May 2022 on behalf of Nzoia Sugar Company

In the 2021/2022 financial year, the two accounts were reported as one with a total of KShs. 480,000,000 made up of KShs 318,180,000 in call account and KShs. 161,820,000 in Letters of Credit (LC) account. The LC account balance had not been charged with the amounts executed on 18th and 24th May 2022 on behalf of Nzoia Sugar Company.

21. Mortgage and Car Loan Fund

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Staff car loan/ mortgage	732,919	780,989
Total cash and cash equivalents	732,919	780,989

22. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

This relates to accounts receivables arising from prepaid expenses, trade and rent debtors

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Description	2022/2023	2021/2022
	KShs '000	KShs '000
Current receivables		
Rent Debtors	77,486	77,701
Trade Debtors	3,719	11,139
Prepayments	33	33
Other Debtors	313,541	291,134
Total current receivables	394,780	380,008

(b) Receivables from Exchange Transactions (Long-term)

This relates to long term receivables from Levy arrears and Sugar Development Fund (SDF)

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Total Receivables		
Levy Arrears	2,883,039	2,883,039
SDF Receivables	229,122	229,122
Less: impairment allowance	-	-
	3,112,161	3,112,161
Current portion transferred to current receivables	-	-
Total non-current receivables	3,112,161	3,112,161
Total receivables (a+b)	3,506,940	3,482,169

(c) Ageing analysis for Receivables from exchange transactions

Description	2022/2023		2021/2022	
	KShs '000		KShs'000	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	37,669	1.07%	1,140	0.32%
Between 1- 2 years	-	0.00%	-	0.00%
Between 2-3 years	-	0.00%	-	0.00%
Over 3 years	3,469,271	98.93%	3,481,029	99.68%
Total (a+b)	3,506,940	100.00%	3,482,169	100.00%

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23. Receivables from Non-Exchange Transactions

This relates to amounts owing from staff and recurrent grant for the month of June 2023 which was outstanding at the end of the financial year.

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Staff Debtors	8,891	7,855
Staff Advance	4,739	3,994
Other Receivable	125,074	4,490
Total current receivables	138,704	16,339

Description	2022/2023		2021/2022	
	KShs '000		KShs '000	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	128,745	92.82%	11,861	72.59%
Between 1- 2 years	2,256	1.63%	1,490	9.12%
Between 2-3 years	4,541	3.27%	1,223	7.49%
Over 3 years	3,162	2.28%	1,765	10.80%
Total (a+b)	138,704	100.00%	16,339	100.00%

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24. Property, Plant and Equipment

	Free Hold Land	Lease Hold Land	Buildings	Plant and Equipment	Automobiles	Computer and Electronic Equipment	Office and Communication Equipment	Furniture and Fittings	WIP	TOTAL
Cost	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
As at 1 July 2021	7,105,784	273,000	3,165,818	484,755	273,929	184,299	208,491	159,627	34,452	11,890,155
Additions	-	-	-	3,635	34,150	22,965	2,189	2,445	306,277	371,661
Transfers/Adjustments	(441,500)	-	(625,431)	-	(31,600)	(10,777)	(16,651)	(16,478)	-	(1,142,436)
Disposals	-	-	-	-	-	(552)	-	-	-	(552)
At 30 June 2022	6,664,284	273,000	2,540,387	488,390	276,478	195,935	194,029	145,595	340,729	11,118,827
Additions	-	-	281,476	1,217,237	98,481	34,533	6,216	3,468	392,925	2,034,337
At 30 June 2023	6,664,284	273,000	2,821,863	1,705,627	374,960	230,469	200,245	149,063	733,654	13,153,165
Depreciation and Impairment										
As at 1st July 2021	-	36,400	306,472	475,420	270,245	175,372	148,738	134,958	-	1,547,605
Depreciation	-	9,100	63,932	3,476	12,222	12,986	20,418	8,377	-	130,511
Transfer to TBK	-	-	(62,294)	-	(31,600)	(9,867)	(14,464)	(14,817)	-	(133,043)
Transfers/Adjustments	-	-	(167)	-	-	-	-	-	-	(167)
Disposals	-	-	-	-	-	(552)	-	-	-	(552)
At 30 June 2022	-	45,500	307,942	478,896	250,867	177,939	154,692	128,517	-	1,544,353
Elimination on Revaluation	-	-	-	-	-	-	-	-	-	-
Depreciation	-	9,100	57,225	156,634	33,158	20,693	16,599	7,378	-	300,786
At 30 June 2023	-	54,600	365,167	635,530	284,024	198,632	171,290	135,895	-	1,845,140
Net Book Values										
At 30 June 2023	6,664,284	218,400	2,456,696	1,070,097	90,935	31,837	28,955	13,167	733,654	11,308,026
At 30 June 2022	6,664,284	227,500	2,232,444	9,493	25,612	17,997	39,338	17,077	340,729	9,574,474

Work in Progress include Hot water treatment which is still under construction at the Horticultural Directorate headquarters and upgrade of Nzoia and Sony Cane Testing Units (CTUs). The Overall objective of the Cane Testing Units was to enable Kenya Sugar Industry transform from the current weight based system to quality based cane payment system. Transfers were done to the former Tea Directorate after the operationalization of the Tea Board of Kenya Act 2020

Land on Leasehold

AFA has in accordance with IPSAS 13 on Leases; amortized land, which states that operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

The Authority has been amortizing property BLOCK 1/251, BLOCK 1/187, BLOCK 1/188, BLOCK 1/198 leased from Kenya Railways Corporation.

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24 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost	Accumulated Depreciation	NBV
	KShs '000	KShs '000	KShs '000
Land- Free Hold	6,664,284	-	6,664,284
Building	2,821,863	365,167	2,456,696
Plant and machinery	1,705,627	635,530	1,070,097
Motor vehicles, including motor cycles	374,960	284,024	90,935
Computers and related equipment	230,469	198,632	31,837
Office equipment, furniture and fittings	349,308	307,186	42,122
	12,146,511	1,790,540	10,355,971

Property plant and Equipment includes the following assets that are fully depreciated:

Category of Assets	Cost	Normal Annual Depreciation charge
	KShs'000	KShs'000
Plant and machinery	468,018	58,502
Motor vehicles, including motor cycles	513,006	128,252
Computers and related equipment	171,686	57,228
Furniture and Fittings	83,655	10,457
Office and communication equipment	57,117	7,140
Total	1,293,483	261,579

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25. Investment Property

The investment relates to the amount invested in establishment of the Nairobi Coffee Exchange before liberalization of the coffee industry in 2007

Description	2022/2023 KShs '000	2021/2022 KShs '000
c) Equity investments (specify)		
Equity/ shares in Nairobi Coffee Exchange	389	389
Sub- total	389	389

26b) Shares in Other Entities						
Name of entity where investment is held	No of shares	Indirect shareholding	Effective shareholding	Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding				Current year	Prior year
	%				%	%
Nairobi Coffee Exchange	100	-	-	389	389	389
	100	-	-	389	389	389

26. Intangible Assets

	2022/2023 KShs '000	2021/2022 KShs '000
COST		
At July 1	119,160	123,694
CTU Software Additions	142,776	-
Transfer to TBK	-	(4,534)
At June 30	261,936	119,160
AMORTISATION		
At July 1,	114,538	115,810
Transfer TO TBK	-	(4,534)
Charge for the year	31,815	3,261
At June 30	146,353	114,537
NET BOOK VALUE		
At June 30	115,583	4,623

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27. Trade and Other Payables

This comprises of money owed to suppliers, income received in advance, the mortgage fund for the Tea Board of Kenya and other creditors.

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Trade payables	391,010	679,335
Payments received in advance	18,600	15,701
Employee Payables	216	5
Third-party payments	4,910	6,909
Other payables	2,643	2,128
TBK Mortgage Fund	109,668	108,802
TBK Car Loan	-	50,000
Total trade and other payables	527,047	862,880

Ageing analysis: Trade and Other Payable

Description	2022/2023		2021/2022	
	KShs '000	% of the total	KShs '000	% of the total
Under one year	223,921	42.49%	244,544	28.34%
Between 1- 2 years	131,777	25.00%	12,103	1.40%
Between 2-3 years	9,913	1.88%	1,409	0.16%
Over 3 years	161,436	30.63%	604,824	70.09%
Total (a+b)	527,047	100.00%	862,880	100.00%

28. Refundable Deposits and Prepayments from Customers

This relates to customers' deposits on rental properties

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Customer deposits	62,753	24,073
Total deposits	62,753	24,073

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Ageing analysis: Trade and Other Payable Refundable Deposits

Description	2022/2023		2021/2022	
	KShs '000	% of the total	KShs '000	% of the total
Under one year	38,679	61.64%	-	0.00%
Between 1- 2 years	-	0.00%	266	0.011
Between 2-3 years	266	0.42%	-	0.00%
Over 3 years	23,807	37.94%	23,807	98.90%
Total (a+b)	62,753	100.00%	24,073	100.00%

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Notes to the Financial Statements (Continued)

29. Current Provisions

Current provisions include provisions for gratuity including provisions for audit fees.

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Balance b/d (1.07.2022)	-	-	17,205	49,465	66,670
Additional Provisions	-	-	-	17,582	17,582
Provision utilised	-	-	(17,205)	-	(17,205)
Total provisions as at 30.6.2023	-	-	-	67,047	67,047

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The deferred income movement is as follows:

30. Deferred Income

Deferred income includes deferred income for funds received for the Farmers data registration programme KShs 100 million, Irish potato project 30 million and funds received from donations KShs 3.3 million.

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Deferred Income	133,365	-
Total deposits	133,365	-

Description	2022/2023	2021/2022
	KShs'000	KShs'000
National Government- Farmers Data Registration	100,000	-
National Government- Irish Potato Project	30,000	-
Donations funding	3,365	-
Total Deferred Income	133,365	-

	National government	International funders	Public contributions and donations	Total
	KShs'000	KShs'000	KShs'000	KShs'000
Balance Brought Forward	-	-	-	-
Additions	130,000	3,365	-	133,365
Transfers To Capital Fund	-	-	-	-
Transfers To Income Statement	-	-	-	-
Other Transfers	-	-	-	-
Balance Carried Forward	130,000	3,365	-	133,365

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31. Employee Benefit Obligations

Description	2022/2023	2021/2022
	KShs '000	KShs '000
Defined benefit plan	-	-
Post-employment medical benefits	-	-
Other Benefits	1,196,810	785,789
Total Current Employee Benefits Obligation	1,196,810	785,789

32. Non-Current Liabilities

Noncurrent provisions include for Sugar levy arrears and Sugar Research levy provided in the books

Description	Long service leave	Bonus Provision	Gratuity provisions	Other Provisions	Total
	KShs '000		KShs '000	KShs '000	KShs '000
Balance at the beginning of the year	-	-	-	326,820	326,820
Additional Provisions	-	-	-	444,777	444,777
Provision utilised	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Less: Current portion	-	-	-	-	-
Balance at the end of the year	-	-	-	771,597	771,597

33. Financial Risk Management

The Authority's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Authority's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Authority does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Authority's financial risk management objectives and policies are detailed below:

i) Credit risk

The Authority has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Authority's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Authority's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

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	2022/2023	2021/22	Total
	KShs '000	KShs '000	KShs '000
As at 30 June 2021			
Financial assets			
Investments	389	389	778
Cash	3,197,838	1,673,100	4,870,938
Debtors	3,506,940	3,492,169	6,999,109
Total financial assets	6,705,167	5,165,657	11,870,824
Financial Liabilities			
Trade and other payables	527,047	862,880	1,389,927
Borrowings	-	-	-
Total financial liabilities	527,047	862,880	1,389,927
Net foreign currency asset/(liability)	6,178,120	4,302,777	10,480,897

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Authority has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of directors sets the Authority's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated

Notes to the Financial Statements (Continued)

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Authority's directors, who have built an appropriate liquidity risk management framework for the management of the Authority's short, medium and long-term funding and liquidity management requirements. The Authority manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Authority under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

iii) Market risk

The Authority has put in place an internal audit function to assist it in assessing the risk faced by the Authority on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Authority's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Authority's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Authority's exposure to market risks or the way it manages and measures the risk.

Notes to the Financial Statements (Continued)

Financial Risk Management

a) Foreign currency risk

The *Authority* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Authority* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

Interest rate risk is the risk that the *Authority's* financial condition may be adversely affected as a result of changes in interest rate levels. The *Authority's* interest rate risk arises from bank deposits. This exposes the *Authority* to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the *Authority's* deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Financial Risk Management

Sensitivity analysis

The *Authority* analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained

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from independent sources; unobservable inputs reflect the *Authority's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Authority* considers relevant and observable market prices in its valuations where possible.

Capital Risk Management

The objective of the Authority's capital risk management is to safeguard the Authority's ability to continue as a going concern. The Authority capital structure comprises of the following funds:

	2022/2023	2021/2022
	KShs '000	KShs '000
Revaluation reserve	9,270,533	9,270,533
Retained earnings	(236,268)	- 1,047,095
Capital reserve	1,320,966	1,320,966
Grant Reserve	5,886,548	3,931,446
Total funds	16,241,779	13,475,850
Total borrowings	-	-
Less: cash and bank balances	(3,197,838)	(1,673,100)
Net debt/(excess cash and cash equivalents)	13,043,941	11,802,751
Gearing	0%	0%

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• **Segment Information**

A detailed Directorate's financial performance and financial position for the year under review is given below,

a. Financial Performance for the year ended 30th June 2023

Name	NOTE	CONSOLIDATED KShs '000	COFFEE KShs '000	FIBRE KShs '000	FOOD KShs '000	HCD KShs '000	HQ KShs '000	NOCD KShs '000	POICD KShs '000	SUGAR KShs '000
Revenue										
Internally Generated Income										
Government										
Recurrent Grant from Government		1,347,000	-	12,186	30,342	-	1,221,267	28,339	33,543	21,323
Development Grant from Government		1,282,000	-	22,500	-	-	385,235	-	-	874,265
Recurrent Grant from Development Partners		139,893	-	-	139,893	-	-	-	-	-
GoK Counterpart Funding		12,500	-	-	12,500	-	-	-	-	-
Total Government	6	2,781,392	-	34,686	182,735	-	1,606,503	28,339	33,543	895,587
Revenue from non-exchange Transactions										
Levies, Fines and Penalties										
Cess		251,322	-	-	-	251,322	-	-	-	-
Levies and Others		1,973,520	-	-	-	4,625	-	1,968,789	-	106
	7	2,224,842	-	-	-	255,948	-	1,968,789	-	106
Licences, Permits and Fees										
Licenses		151,884	8,090	1,617	12,702	13,898	-	1,530	765	113,282
Permits		38,203	333	27,954	-	-	-	-	4,540	5,376

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International Forum/Meetings	14,616	1,725	1,017	1,717	5,422	-	4,736	-	-
Technical Consultancies	4,686	-	-	-	1,046	-	-	-	3,640
Enforcement of Regulations and Standards	582	-	-	172	409	-	-	-	-
Generic Promotion & Market Development.	28,937	4,057	4,247	2,727	4,460	-	4,684	1,663	7,099
Market Research	22,645	3,495	620	1,878	3,877	-	2,972	1,251	8,551
Subscriptions to Associations	4,421	-	560	-	548	-	2,481	-	832
Product Promotion	15,689	1,701	1,254	2,336	2,964	-	2,389	510	4,536
Overseas conference Expenses	38,007	22,705	1,011	800	6,828	-	3,075	-	3,588
Value Addition	12,358	2,637	1,381	398	2,887	-	1,485	744	2,827
Market registration	5,362	531	-	33	228	-	-	4,570	-
Common user items- Stationery	16,353	2,616	540	489	4,403	5,294	2,327	116	569
Comm Telephone and Postage	41,141	2,920	2,838	874	6,665	21,037	1,707	1,613	3,487
Vehicle Running Expenses	33,887	793	409	140	469	28,532	130	180	3,234
Insurance Expenses	16,299	-	-	-	-	16,299	-	-	-
Local Travelling Expenses	153,799	5,873	6,945	5,026	22,977	68,035	12,568	6,202	26,172
Planning Research, Strategy and Monitoring	29,803	-	-	12	-	29,791	-	-	-
International travel	4,708	41	-	-	1,304	2,676	688	-	-
Security	32,576	-	-	-	-	31,481	-	-	1,095
Water and Electricity	27,810	7,069	772	-	11,205	5,188	21	-	3,555
Rent and rates	31,553	361	1,152	-	1,799	28,242	-	-	-
Computer Accessories	14,565	613	446	47	4,452	6,331	663	258	1,755
Record management	4,563	1,510	-	-	-	3,052	-	-	-
Cleaning, Garbage & Sanitary	14,866	97	-	-	-	14,769	-	-	-

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Directors' Honoraria		267	-	-	-	-	-	267	-	-	-	-
Board Corporate Govern Trainings		780	-	-	-	-	-	780	-	-	-	-
Board Foreign Travel		1,697	-	-	-	-	-	1,697	-	-	-	-
Total Board Expenses	16	13,223	-	-	-	-	-	13,223	-	-	-	-
Depreciation and Amortization												
Depreciation												
Depreciation Buildings		57,225	24,850	7,005	-	13,930	-	-	-	-	-	11,440
Depreciation Plant and Equipment		156,634	3,228	-	-	-	-	-	-	-	-	153,406
Depreciation Automobiles		33,158	2,627	-	-	5,555	-	24,976	-	-	-	-
V Computer and Electronic Equipment		20,693	493	-	-	19	-	10,901	-	-	-	9,280
Depreciation Office and Communication Equipment		16,599	470	56	-	274	-	10,289	-	-	-	5,510
Depreciation Furniture and Fittings		7,378	89	129	-	525	-	4,575	-	-	-	2,060
Amortization of Land		9,100	-	9,100	-	-	-	-	-	-	-	-
Total Depreciation		300,786	31,757	16,290	-	20,303	-	50,741	-	-	-	181,696
Amortization												
Amortization of Intangible Assets		31,816	-	-	-	40	-	3,023	-	-	-	28,752
Total Amortization		31,816	-	-	-	40	-	3,023	-	-	-	28,752
Total Depreciation and Amortization	17	332,602	31,757	16,290	-	20,343	-	53,764	-	-	-	210,448
Repairs and Maintenance												
Buildings		56,919	906	19,502	-	11,189	-	1,105	79	-	-	24,138
Automobiles		19,808	1,304	2,626	1,129	5,182	1,410	2,174	2,369	1,410	-	3,615

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Computer and Electronic Equipment	10,647	35	705	-	681	8,239	-	-	986
Furniture and equipment	70	48	21	-	-	-	-	-	-
Lift/ Generators/ Borehole maintenance	3,779	449	-	-	-	3,330	-	-	-
Others	227	-	50	-	-	75	-	-	102
Total Repairs and Maintenance	18	2,743	22,904	1,129	17,051	14,923	2,449	1,410	28,840
TOTAL EXPENSES	4,638,241	144,032	142,518	206,895	217,731	2,216,889	87,733	41,625	1,580,818
Other Gains/(Losses)	-	-	-	-	-	-	-	-	-
Gain/Loss on Foreign Exchange	2,126	2,118	8	-	-	-	-	-	-
Total Other Gains/(Losses)	19	2,118	8	-	-	-	-	-	-

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3. Financial Position as at 30th June 2023

Name	CONSOLIDATED										
	ASSETS	KShs '000	COFFEE	FIBRE	FOOD	HCD	HQ	NOCD	POICD	SUGAR	
Current Assets		KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Cash and cash equivalents											
Bank		850,613	48,630	22,702	100,632	141,310	183,099	161,623	6,857	185,760	
Short term Deposits		2,337,720	474,814	-	-	-	-	1,585,000	-	277,905	
USD Bank		9,505	9,505	-	-	-	-	-	-	-	
Total Cash and cash equivalents	20	3,197,838	532,949	22,702	100,632	141,310	183,099	1,746,623	6,857	463,665	
Collateral Deposits		623,251	237,869	43,740	-	60,036	-	-	-	281,606	
TBK Collateral		109,668	-	-	-	-	-	-	-	-	
Staff Mortgage Fund	21	732,919	237,869	43,740	-	60,036	-	-	-	281,606	
Receivables from exchange transactions	22										
Other Debtors		320,093	33,891	287	-	79,266	196,631	1,248	-	8,769	
Rent Debtors		70,934	29,856	1,718	-	39,175	-	186	-	-	
Trade Debtors		3,719	1,341	2,353	-	-	-	25	-	-	
Prepayments		33	33	-	-	-	-	-	-	-	
Receivables from exchange transactions	22(a)	394,780	65,122	4,358	-	118,441	196,631	1,459	-	8,769	
Receivables from non-exchange transactions											
Staff Imprest		8,891	1,038	-	-	1,010	5,728	633	483	-	
Staff Advance		4,739	2	-	-	192	4,505	-	-	40	
Deposits & Other Receivables		125,074	3,718	-	-	-	120,583	-	-	772	

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Total Receivables from non-exchange transactions	23	138,704	4,758	-	-	1,202	130,816	633	483	812
TOTAL CURRENT ASSETS		4,464,240	840,699	70,800	100,632	320,989	510,546	1,748,715	7,340	754,852
Levy Arrears		2,883,039	-	-	-	-	-	-	-	2,883,039
SDF Receivables		229,122	-	-	-	-	-	-	-	229,122
Receivables from exchange transactions	22(b)	3,112,161	-	-	-	-	-	-	-	3,112,161
Non- Current Assets		-	-	-	-	-	-	-	-	-
Total Property, Plant and Equipment	24	11,308,026	5,824,814	840,727	-	1,912,760	109,128	-	-	2,620,597
Other Investments	25	389	389	-	-	-	-	-	-	-
Intangible assets	26	115,583	-	-	-	-	970	-	-	114,613
Total Non- Current Assets		14,536,158	5,825,202	840,727	-	1,912,760	110,098	-	-	5,847,371
LIABILITIES										
Current Liabilities										
Trade and Other Payables										
Trade and Other Payables		391,010	8,593	2,515	181	97,052	238,568	3,327	6,338	34,436
Payment Received in Advance		18,600	-	-	-	-	-	-	-	18,600
Payroll Liabilities		216	-	-	-	-	216	-	-	-
Insurance Compensation		4,910	-	-	-	-	4,910	-	-	-
Other Payables		2,643	-	1,048	-	-	1,595	-	-	-
TBK Mortgage		109,668	-	-	-	-	-	-	-	-

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Trade and Other Payable	27	527,047	8,593	3,562	181	97,052	245,289	3,327	6,338	53,036
Refundable deposits from customers	28	62,753	24,659	2,783	-	33,544	1,768	-	-	-
Current Provisions	29	67,047	10,762	901	-	5,231	47,010	-	-	3,143
Deferred income	30	133,365	3,365	-	-	-	130,000	-	-	-
Total Current Liabilities		790,213	47,379	7,246	181	135,827	424,067	3,327	6,338	56,179
Non-current Liabilities										
Employee benefit obligation	31	1,196,810	-	-	-	-	1,196,810	-	-	-
Non-current provisions	32	771,597	-	-	-	-	-	-	-	771,597
Total Non-current liabilities		1,968,407	-	-	-	-	1,196,810	-	-	771,597
Total Liabilities		2,758,620	47,379	7,246	181	135,827	1,620,877	3,327	6,338	827,776

Notes to the Financial Statements (Continued)

35. Events after the Reporting Period

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

36. Ultimate and Holding Authority

The Authority is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Agriculture and Livestock Development. Its ultimate parent is the Government of Kenya.

37. Currency

The financial statements are presented in Kenya Shillings (KShs) rounded to the nearest KShs.

20. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>I. Fleet Management</p> <p>i) Documents of Ownership Not in Custody of the Authority</p> <p>ii) Logbooks in the Name of Defunct/Former Boards</p>	<p>The Authority has managed to secure 19 Motor vehicle logbooks from Directorates and efforts are being made to secure the remaining Logbooks</p> <p>The process of regularization and transfer of Motor vehicles from the former institutions is in the final stage after all Directorate representatives had opened digital accounts at the National Transport and Safety Authority and a budget to facilitate the exercise has been approved. The Authority has met all the requirements for transfer.</p>	Not Resolved	FY 2022-23
	<p>II. Undisclosed Land and Buildings</p> <p>Ten (10) acres of land situated in Wundanyi, Taveta and one hundred and twenty-seven (127) acres situated in Kitui valued at KShs. 36,600,000 and KShs. 4,000,000 and allocated to the defunct Horticultural Crops Development Authority and the defunct Cotton Board of Kenya</p> <p>Seven acres of land in Mtwapa that had been allocated to the defunct Kenya Coconut Development Authority by the defunct Kenya Agricultural</p>	<p>The Authority undertakes to follow up the approval of the PDP both with the Department of Physical Planning of the areas for the mentioned piece of land and the Cabinet Secretary's office at the Ministry of Lands</p>	Not Resolved	Awaiting approval of PDP

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	Research Institute. In addition, the ownership had not been transferred by the Kenya Agricultural Research Institute by the time the Authority ceased to exist upon the commencement of the Crops Act, 201			
2	Unsupported Investments Balance of KShs. 389,000 on coffee exchange shares	The investment of KShs. 389,000 relates to the total amount the defunct Coffee Board of Kenya incurred in the establishment of the Kenya Coffee Auction before liberalization of the coffee industry in 2007. However, amount paid as seed capital was KShs. 148,200 which was reflected in the share certificate thus resulting to a difference of KShs. 240,560. After, liberalization the National Treasury granted approval for the winding up of the coffee exchange but the cost of the investment was never removed from the books of Coffee Board of Kenya.	Not Resolved	After the approval of write off
3	Long Outstanding Receivables From Exchange Transactions	The Authority has vigorously followed the arrears on the levy from the Sugar mills and continue to do so to date. The issue of levy arrears was addressed through the National Assembly vide Sessional Paper no 12 of 2012. It wrote off some levy on Government mills subject to privatization. As it stands, privatization	Not Resolved	After being granted approval for a write off

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		has not been completed and the levy arrears will only be determined upon conclusion of the privatization		
4	Long Outstanding Receivables from Non-Exchange Transactions	Long Outstanding Receivables from Non-Exchange Transactions include rent deposits which are recoverable upon vacating rented offices Other receivables include Staff medical advances issued to staff being recovered over a period.	Not Resolved	N/A
5	Long Outstanding Trade and Other Payables	Included in the payables is KShs 771.59 Million relates to Sugar Development Levy component payable to sugar research institute and was based on sugarcane levy arrears which millers have not yet paid	Not Resolved	After being granted approval for a write off

Signature 
Willis Audi
Acting Director General

Date..... 11/12/2023

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Appendix II: Projects implemented by Agriculture and Food Authority

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

Projects						
Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Cotton Industry Revitalization Project	1165106601	GoK	5 Yrs.	N/A	N/A	N/A
Cane Testing Units	1169102100	GoK	6 Yrs.	N/A	N/A	N/A
Potato Revitalization	1169108900	IFAD	1 Yr	Yes	Yes	Yes
Farmers Arrears and Factory Rehabilitation	1169102100	GoK	1 Yr	N/A	N/A	N/A

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Projects						
Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Cotton Industry Revitalization Project	1165106601	GoK	5 Yrs.	N/A	N/A	N/A
Cane Testing Units	1169102100	GoK	6 Yrs.	N/A	N/A	N/A
Potato Revitalization	1169108900	IFAD	1 Yr	Yes	Yes	Yes
Farmers Arrears and Factory Rehabilitation	1169102100	GoK	1 Yr	N/A	N/A	N/A

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Appendix IV: Transfers from Other Government Entities: Amounts in KShs '000

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Deve lopment/Others	Total Amount -	Where Recorded/recognized					Others - must be specific
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables		
Department for Crops Development & Agricultural Research	04/08/2022	Recurrent	120,583	120,583	-	-	-	-	-
Department for Crops Development & Agricultural Research	27/09/2022	Recurrent	241,167	241,167	-	-	-	-	-
Department for Crops Development & Agricultural Research	14/11/2022	Recurrent	120,583	120,583	-	-	-	-	-
Department for Crops Development & Agricultural Research	07/12/2022	Recurrent	120,583	120,583	-	-	-	-	-
Department for Crops Development & Agricultural Research	01/02/2023	Recurrent	120,583	120,583	-	-	-	-	-
Department for Crops Development & Agricultural Research	13/02/2023	Recurrent	120,583	120,583	-	-	-	-	-
Department for Crops Development & Agricultural Research	08/03/2023	Recurrent	103,917	103,917	-	-	-	-	-
Department for Crops Development & Agricultural Research	14/04/2023	Recurrent	37,250	37,250	-	-	-	-	-
Department for Crops Development & Agricultural Research	06/06/2023	Recurrent	120,583	120,583	-	-	-	-	-
Department for Crops Development & Agricultural Research	09/06/2023	Recurrent	120,583	120,583	-	-	-	-	-

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Department for Crops Development & Agricultural Research	03/07/2023	Recurrent	120,583	120,583	-	-	120,583	-
Department for Crops Development & Agricultural Research	08/08/2022	Development	500,000	500,000				
Department for Crops Development & Agricultural Research	29/09/2022	Development	322,500	322,500				
Department for Crops Development & Agricultural Research	19/10/2022	Development	107,500	107,500				
Department for Crops Development & Agricultural Research	19/10/2022	Development	25,000	25,000				
Department for Crops Development & Agricultural Research	19/10/2022	Development	22,500	22,500				
Department for Crops Development & Agricultural Research	29/06/2023	Development	75,000	75,000				
Department for Crops Development & Agricultural Research	30/06/2023	Development	7,500	7,500				
Department for Crops Development & Agricultural Research	30/06/2023	Development	100,000	100,000				
Department for Crops Development & Agricultural Research	19/10/2022	Counterpart Funding	12,500	12,500				
Department for Crops Development & Agricultural Research	30/06/2023	Counterpart Funding	30,000	30,000				
IFAD	29/09/2022	Donor Fund	93,000	93,000				
IFAD	18/01/2023	Donor Fund	22,864	22,864				
IFAD	19/01/2023	Donor Fund	13,213	13,213				
IFAD	19/01/2023	Donor Fund	10,816	10,816				

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Department for Crops Development & Agricultural Research	Development	Development	222,000	222,000				
Department for Crops Development & Agricultural Research	Development	Development	-30,000	-30,000	30000			
Department for Crops Development & Agricultural Research	Development	Development	-100,000	-100,000	100000			
Total			2,781,392	2,781,392	130,000	-	120,583	-



.....
CPA Joseph W. Muigai
Director, Finance
Agriculture and Food Authority

Date: 11/12/2023

