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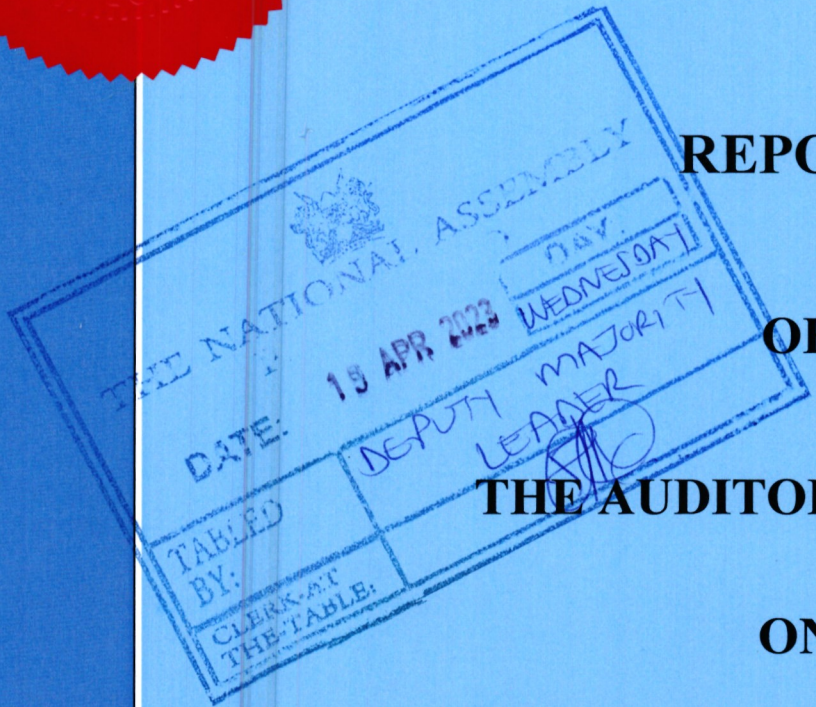


OAG



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

**MOMBASA-NAIROBI-ADDIS ABABA ROAD
CORRIDOR PROJECT PHASE III (TURBI-
MOYALE) NO.P-ZI-DB0-095 LOAN
NO.21001500255546**

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

**KENYA NATIONAL HIGHWAYS
AUTHORITY**



**MINISTRY OF TRANSPORT, INFRASTRUCTURE, HOUSING, URBAN
DEVELOPMENT AND PUBLIC WORKS**



Kenya National Highways Authority

Quality Highways, Better Connections

**PROJECT NAME: MOMBASA-NAIROBI-ADDIS ABABA ROAD CORRIDOR
PROJECT PHASE III (TURBI-MOYALE ROAD PROJECT)**

IMPLEMENTING ENTITY: KENYA NATIONAL HIGHWAYS AUTHORITY

**PROJECT GRANT/CREDIT NUMBER: LOAN 21001500255546
PROJECT NO P-ZI-DBO-095**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

***Turbi-Moyale Road Rehabilitation Project
Annual Report and Financial Statements for the financial year ended June 30, 2022***

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1. Project Information and Overall Performance

1.1 Name and registered office

Name: Mombasa-Nairobi-Addis Ababa Road Corridor Project Phase III-(Turbi-Moyale Road) Project

Objective:

- i) Improve Land Transport communications between Kenya and Ethiopia and contribute to enhance Trade and regional and economic integration
- ii) Provide landlocked Ethiopia with an alternative outlet to the sea through the port of Mombasa
- iii) Open up Kenyan's Northern Region (Arid Semi-Arid Lands of Kenya (ASAL) and integrate it with the rest of Kenya

Address: Barabara Plaza,
Jomo Kenyatta International Airport (JKIA)
Off Mazao Road (Opposite KCAA Headquarters)

Contacts:
Director General
Kenya National Highways Authority
Po Box 49712-00100
Nairobi
Telephone: (254) 020 495000
E-mail: dg@Kenha.co.ke
Website: www.kenha.co.ke

1.2 Project Information.

Project Start Date:	12 th October, 2012
Project End Date:	11 th October 2015
Project Engineer	Eng D.S Cherono
Project Sponsor:	Africa Development Bank (AfDB)

1.3 roject Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Transport, Infrastructure, Housing, Urban Development & Public Works																																																
Project number	P-ZI-DBO-095																																																
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <p>To improve transport communications between Kenya and Ethiopia for the benefit of both countries and the region</p>																																																
Other important background information of the project	<p>The project is financed by the Government of Kenya at 6% (UAC 8,190,000.00) and the ADB at 94% (UAC 120,000,000.00) The Project Components and costs are as follows (In Million Units of Accounts-UA)</p> <table border="1" data-bbox="497 1176 1508 1904"> <thead> <tr> <th></th> <th>Components</th> <th>FE</th> <th>LC</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Turbi-Moyale -Works</td> <td>81.77</td> <td>27.25</td> <td>109.02</td> </tr> <tr> <td>2</td> <td>Services</td> <td>1.07</td> <td>0.27</td> <td>1.34</td> </tr> <tr> <td>3</td> <td>Construction Supervision</td> <td>2.09</td> <td>0.52</td> <td>2.61</td> </tr> <tr> <td>4</td> <td>Trade and Transport Facilitation</td> <td>0.90</td> <td>0.23</td> <td>1.13</td> </tr> <tr> <td>5</td> <td>Study of Future Projects</td> <td>5.18</td> <td>1.30</td> <td>6.48</td> </tr> <tr> <td>6</td> <td>Monitoring of Performance of Consultants & Contractors</td> <td>0.54</td> <td>0.13</td> <td>0.67</td> </tr> <tr> <td>7</td> <td>Projects Audits</td> <td>0</td> <td>0.09</td> <td>0.09</td> </tr> <tr> <td></td> <td>Total</td> <td>90.48</td> <td>29.52</td> <td>120.00</td> </tr> </tbody> </table>					Components	FE	LC	Total	1	Turbi-Moyale -Works	81.77	27.25	109.02	2	Services	1.07	0.27	1.34	3	Construction Supervision	2.09	0.52	2.61	4	Trade and Transport Facilitation	0.90	0.23	1.13	5	Study of Future Projects	5.18	1.30	6.48	6	Monitoring of Performance of Consultants & Contractors	0.54	0.13	0.67	7	Projects Audits	0	0.09	0.09		Total	90.48	29.52	120.00
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	Total	90.48	29.52	120.00																																													

Current situation that the project was formed to intervene	<ul style="list-style-type: none"> i) Promote regional economic integration by enhancing the development of regional trade between Ethiopia, Kenya and the COMESA countries. Reduce transport costs, and significantly improve the offer of transport services between Ethiopia, Kenya and other counties in the sub-region; ii) Integrate the Kenya ASAL region with the rest of the country, in the administrative, economic and social context; iii) Improve accessibility and mobility to markets and other socio-economic infrastructure for the population in north-eastern region of Kenya. iv) Spur economic activity between Kenya and Ethiopia and facilitate development of SMEs and trade. v) Improve security along the corridor.

1.4 Bankers Co-operative Bank of Kenya Ltd
Upper Hill Branch,
Po Box 30415-00100
Nairobi
Account No.01141160979900

1.5 Auditors Auditor General
Office of the Auditor General
Po Box 30084-0100
Nairobi

1.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Eng Charles O. Obuon	Director-Development	Engineer	Oversight
Eng D.S Cherono	Deputy Director	Engineer	Team Leader
Mr Walter Nyatwanga	Deputy Director	Environmentalist	Safeguards Specialist
Mr Chanje Kera	Deputy Director	CPA-(K)	Financial Specialist

Turbi-Moyale Road Rehabilitation Project
Annual Report and Financial Statements for the financial year ended June 30, 2022

Mr R Kilel	Assistant Director	Qualified	Procurement Specialist
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1.7 Funding summary

The Project is for duration of Four (4) years from 12th October, 2012 to 15th October 2016 with an approved budget of UA 120,000,000 equivalent to Kshs 18,652,080,000 at the exchange rate of Kshs. 155.434 and Kshs. 1,240,063,230 as highlighted in the table below:

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount Received to date – (30.06.2022)		Undrawn balance to date - (30.06.2022)	
	<i>UAC</i>	<i>Kshs</i>	<i>UAC</i>	<i>Kshs</i>	<i>UAC</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(ii)Loan						
African Development Bank (ADB)	120,000,000	18,652,080,000	82,739,351	12,860,508,353	-	-
(ii)Counterpart funds					-	
Government of Kenya	-	1,240,063,230	-	1,240,063,230	-	-
Total	120,000,000	19,892,143,230	82,739,351	14,100,571,583	-	-

B. Application of Funds

Application of funds	Amount received to date – (30th June 2022)		Cumulative Amount paid to date – (30th June 2022)		Unutilised balance to 30th June 2022	
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
	UAC	KSHS	UAC	KSHS	UAC	KSHS
(i)Loan						
ADB	82,739,351	12,860,508,353	82,739,351	12,860,508,353	-	-
(ii)Counterpart funds						
Government of Kenya	-	1,240,063,230	-	1,189,435,328	-	50,627,902
Total	82,739,351	14,100,571,583	82,739,351	14,049,943,681	-	50,627,902

1.8 Summary of Overall Project Performance:

Budget performance against actual amounts for current year and for cumulative to-date

Current Year		
Budget 2021/2022	Actual 2021/2022	Performance %

1.9 Summary of Project Compliance:

There is no significant case of non-compliance with applicable laws and regulations and essential external financing agreements /covenants was reported during the year

2. Statement of Performance Against Project's Predetermined Objectives

The sector goal of the project is to promote trade and regional integration. The expected long-term impact of the project includes increased intra-regional trade between Ethiopia and Kenya and the Eastern and Horn of Africa regions. The objective of the project is to improve transport communications between Kenya and Ethiopia for the benefit of both countries and the region. The expected outcomes of the project include (a) reduced transport and shipping costs between Kenya and Ethiopia; (b) reduced transit time for import and export goods; (c) increased volume of Ethiopian transit goods using the port of Mombasa.

Objective	Outcome	Indicator	Performance
To improve transport communications between Kenya and Ethiopia for the benefit of both countries and the region.	<ul style="list-style-type: none"> Transport and logistics costs between Addis Ababa and Nairobi are reduced; transit and travel times are reduced Port of Mombasa becomes cost-effective alternative for Ethiopia's import/export shipping Technical and Operational Capacity of Kenya Road Agencies is strengthened Improved economic and social welfare of towns along the corridor 	<ul style="list-style-type: none"> Volume of trade Transport and shipping costs Transit time for imports and exports Volume of transit goods to/from Ethiopia using the port of Mombasa Performance of Roads Agencies Average household income 	<ul style="list-style-type: none"> Trade between Ethiopia and Kenya estimated to grow from US\$ 48 M (2007) to US\$ 200 M (500%) by 2017 Port of Mombasa transit goods to/from Ethiopia to increase from zero in 2009 to 500,000 t in 2014; and to over 1000,000 t or 20% of total Ethiopian sea fret by 2018. Average transport cost of US\$ 0.50 per veh-km on the corridor in 2009 reduced by 20% by 2011; and by 50% by 2014. Transit and travel time of 5 days between Addis and Nairobi in 2009 reduced by 20% (1 day) by 2011; and by 60% (3 days) by 2014

3. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

Sustainable Development Goals (SDGs) 2015-2030 provides a plan of action for the people and prosperity. Five out of the seventeen goals are pertinent to management of projects being undertaken by the Authority. These are being addressed through the following initiatives;

- a) *Good health and well-being (SDG 3)*: The Authority strives to undertake Road Safety Audits to identify accident black spots, implement intervention measures and provide road safety education to reduce accidents;
- b) *Gender Equality (SDG 5)*: The Authority encourages mainstreaming of gender equality in project and programmes by incorporating compliance to one third gender rule in procurement and recruitment;
- c) *Industry, innovation and infrastructure (SDG 9)*: The Authority develops quality, reliable, sustainable and resilient infrastructure including regional and trans-border infrastructure to support economic development and human wellbeing with a focus on affordable and equitable access for all;
- d) *Sustainable cities and communities (SDG 11)*: The Authority endeavours to extend the paved road network to hitherto underserved areas in the region to improve nationwide access to high speed and all – weather connectivity; and
- e) *Climate action (SDG 13)*: The Authority endeavours to combat negative impacts of road development through environmental mitigation, climate change measures and compliance with National Environment Management Authority (NEMA) requirements in all development projects

2. Environmental performance

The Authority is working towards ensuring environmental sustainability in projects by undertaking tree planting exercises, implementation of road beautification programs, enforce reinstatement of quarries and borrow pits after construction works, undertakes regular Environmental Impact Assessment (EIA) Audits, carries out M&E on Environment and Social Management Plan (ESMPs) as well as Environmental Social Impact Assessment (ESIA) on projects.

3. Employee welfare

In all its staff appointments, the Authority takes deliberate actions to embrace Equal Employment Opportunity policies, gender mainstreaming, addresses concerns around Persons Living with Disabilities (PWDs) and takes affirmative action in line with prevailing Government Policy guidelines. The Authority prioritizes training to develop technical capacity of staff in the fields of Value Engineering, Project Financing, Project, Contract Management, Performance Based Maintenance and Safety.

4. Market place practices

The Authority strives to ensure responsible competition practices through undertaking annual governance audits in projects, monitoring the implementation of policies and further promotes ethical conduct in projects. The Authority equally sensitizes staff on corruption and integrity.

The Authority undertakes to be actively involved in the negotiations during budget sector hearings in order to increase budgetary allocations for projects thus honouring contracts by paying its liabilities on time.

5. Community Engagements

During the implementation of the Project, the Authority is committed to remaining a responsible corporate citizen by being accountable for its actions through engaging in Public Participation. The Project's goal in terms of community engagement is to ensure that the projects foster long-term relationships with stakeholders and communities around the project. The aim is not just to build roads that foster development but to ensure collaboration with the local communities to achieve sustainable development. The project staff is also encouraged to give back to society by participating in the Authority's corporate social responsibility projects.

The Contractor has been involved in various CSR activities geared towards improving the lives of local residents through construction of roadside amenities, milk houses and processors and slaughterhouses (for goats and sheep). To enhance social safeguards in projects, the Authority undertakes Resettlement Action Plan (RAP) studies and implements its recommendations, carries out Social Impact Assessments (SIA), undertakes gender mainstreaming and conduct stakeholders' forum to sensitize the public in several cross-cutting issues.

4. Statement of Project Management Responsibilities

The Director General and the Project Implementation Team Leader for Turbi-Moyale Road Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

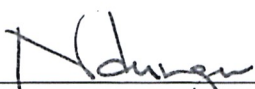
The Director General and the Project Implementation Team Leader Turbi-Moyale Road Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Director General and the Project Implementation Team Leader for Turbi-Moyale Road Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2022, and of the Project's financial position as at that date. The Director General and the Project Implementation Team Leader for National Urban Transport Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.


The Director General, and the Project Implementation Team Leader for Turbi-Moyale Road Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements


The Project financial statements were approved by the Director General and the Project Implementation Team Leader for Turbi-Moyale Road Rehabilitation Project on 30 AUG 2022 2022 and signed by them.



Eng. Kungu Ndungu
Director General



Eng. Charles O. Obuon
Director -Development



CPA Chanje Kera
Deputy Director (F&A)
ICPAK Member No. 8279

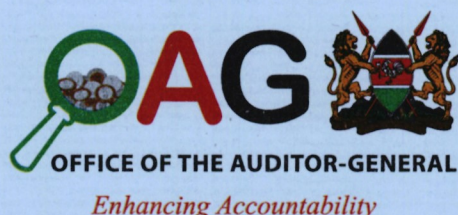
Date 30 AUG 2022

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Date 30 AUG 2022

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON MOMBASA-NAIROBI-ADDIS ABABA ROAD CORRIDOR PROJECT PHASE III (TURBI-MOYALE) NO.P-ZI-DB0-095 LOAN NO.21001500255546 FOR THE YEAR ENDED 30 JUNE, 2022 - KENYA NATIONAL HIGHWAYS AUTHORITY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mombasa-Nairobi-Addis Ababa Road Corridor Project Phase III (Turbi-Moyale) set out on pages 1 to 18, which comprise of the statement of financial assets as at 30 June, 2022, and the statement of receipts and payments, statement of cashflow and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Mombasa-Nairobi-Addis Ababa Road Corridor Project Phase III (Turbi-Moyale) as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Loan Agreement No.2100150025546 dated 12 March, 2012 between African Development Fund (ADF) and the Republic of Kenya and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Cash and Cash Equivalents Balance

The statement of financial assets and Note 5 to the financial statements reflect a bank balance of Kshs.50,627,902 for the Retention bank account held at a local bank as at 30 June, 2022. However, no bank reconciliation statement was provided in support of this balance. Further, the certificate of bank balance provided reflects a balance of Kshs.1,042,912,466 as at 30 June, 2022 which is the retention balance for all the projects under the Authority.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.50,627,902 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mombasa-Nairobi-Addis Ababa Road Corridor Project Phase III (Turbi-Moyale) 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 judgement, 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

1. Project Closure Report

The Project information in the financial statements provided for audit revealed that the project was to end on the 11 October, 2015. However, the project closure report was not provided for audit, being more than seven (7) years after the expiry of the closure period.

In the circumstances, Management did not adhere to the Project closure procedures.

2. Pending Bills

Annex 3 to the financial statements reflects pending bills balance of Kshs.17,533,871 as at 30 June, 2022. The pending bills relate to consultancy services offered by two (2) firms. The amount owed to one of the firms of Kshs.714,313 has been outstanding since the financial year 2016 out of which Kshs.326,173 relates to interest and penalty incurred. The balance of Kshs.16,819,558 is indicated to have been a bill incurred in June, 2020 and in respect of a different road project. Management has not explained why the bills for the other project have been recognised. The Project therefore runs the risk of incurring significant and unquantified interest costs and penalties associated with delays in settling the invoiced bills.

Failure to clear pending bills in the year to which they relate distorts the budget of the following year as they constitute a first charge on that budget.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the African Development Fund (ADF), except for the matters described under Basis for Qualified Opinion section of my report, I report based on my audit that: -

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue to sustain its services, disclosing, as applicable, matters

related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 December, 2022

*Turbi-Moyale Road Rehabilitation Project
Annual Report and Financial Statements for the financial year ended June 30, 2022*

6. Statement of Receipts and Payments for The Period Ended 30th June 2022


	Note	FY 2021/22		FY 2020/21		Cumulative to Date
		Receipts & Payments Controlled by the Entity	Payments Made by the Third Parties	Receipts & Payments Controlled by the Entity	Payments Made by the Third Parties	
		KSh	KSh	KSh	KSh	
RECEIPTS						Kshs
Transfer from Government entities	1	-	-	40,942,298	-	1,240,063,230
Loan from external development partners	2	-	-	-	-	12,860,508,353
TOTAL RECEIPTS		-	-	40,942,298	-	14,100,571,583
PAYMENTS						
Purchase of goods and services	3	-	-	-	-	18,273,724
Acquisition of non-financial assets	4	-	-	40,942,298	-	14,031,669,957
TOTAL PAYMENTS		-	-	40,942,298	-	14,049,943,681
SURPLUS/DEFICIT FOR THE YEAR		-	-	-	-	50,627,902


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


Eng. Kungu Ndungu
 Director General

30 AUG 2022

Date


Eng. Charles O. Obuon
 Director -Development


CPA Chanje Kera
 Deputy Director (F&A)
 ICPAK Member No. 8279

30 AUG 2022

Date

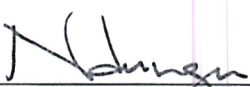
30 AUG 2022


Date


7. Statement of Financial Assets As at 30th June 2022

	Notes	2021/22	2020/21
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	5	50,627,902	50,627,902
TOTAL FINANCIAL ASSETS		50,627,902	50,627,902
FINANCIAL LIABILITIES			
Payables - Retentions	6	50,627,902	50,627,902
NET ASSETS		-	-
REPRESENTED BY:			
Fund balance b/fwd	7	-	-
Surplus/Deficit for the year		-	-
NET FINANCIAL POSITION		-	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30 AUG 2022 2022 and signed by:


Eng. Kungu Ndungu
Director General


Eng. Charles O. Obuon
Director -Development


CPA Chanje Kera
Deputy Director (F&A)
ICPAK Member No. 8279

Date 30 AUG 2022

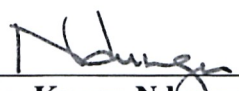
Date 30 AUG 2022


Date 30 AUG 2022


8. Statement of Cashflow For the Period 30th June 2022

	Note	2021/2022	2020/2021
Receipts for operating income			
Transfer from Government entities	1	-	40,942,298
Proceeds from domestic and foreign grants		-	-
Miscellaneous receipts		-	-
Payments for operating expenses			
Compensation of employees		-	-
Purchase of goods and services	3	-	-
Social security benefits		-	-
Transfers to other government entities		-	-
Other grants and transfers		-	-
Other payments		-	-
Net cash flow from operating activities		-	40,942,298
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	4	-	(40,942,298)
Net cash flows from Investing Activities		-	(40,942,298)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	2	-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		-	-
Cash and cash equivalent at BEGINNING of the year		50,627,902	50,627,902
Cash and cash equivalent at END of the year		50,627,902	50,627,902

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30 AUG 2022 2022 and signed by:


 Eng. Kungu Ndungu
 Director General


 Eng. Charles Obuon
 Director -Development


 CPA Chanje Kera
 Deputy Director (F&A)
 ICPAK Member No. 8279

Date 30 AUG 2022

Date 30 AUG 2022

Date 30 AUG 2022


**Turbi-Moyale Road Rehabilitation Project
Annual Report and Financial Statements for the financial year ended June 30, 2022**


9. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30th June 2022

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Variance	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	-	-	-	-	-	0%
Transfer from External Development Partner	-	-	-	-	-	0%
Total Receipts	-	-	-	-	-	0%
Payments						
Purchase of goods and services	-	-	-	-	-	0%
Social security benefits						
Acquisition of non-financial assets						
Transfers to other government entities						
Total Payments	-	-	-	-	-	0%

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


Eng. Kungu Ndlungu
Director General


Eng. Charles O. Obuon
Director -Development


CPA Chanje Kera
Deputy Director (F&A)
ICPAK Member No. 8279

Date 30 AUG 2022

Date 30 AUG 2022

Date 30 AUG 2022

10. Significant Accounting Policies

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

10.1 Statement of compliance and basis of preparation

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

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

10.2 Reporting entity

The financial statements are for Turbi-Moyale under the State Department of Infrastructure. The financial statements are for the reporting entity Turbi-Moyale as required by Section 81 of the PFM Act, 2012 .

10.3 Reporting currency

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

10.4 Recognition of receipts

The Turbi-Moyale Road rehabilitation project recognises all receipts from the various sources when the event occurs, and the related cash has actually been received.

i) Transfers from the Exchequer

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

ii) External Assistance

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

Significant Accounting Policies (Continued)

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing

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

vi) Undrawn external assistance

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

10.5 Recognition of payments

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

i) Compensation to employees

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

Significant Accounting Policies (Continued)

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

10.6 In-kind donations

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

Significant Accounting Policies (Continued)

10.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

10.8 Restriction on cash

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

10.9 Imprests and Advances

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

10.10 Contingent Liabilities

A contingent liability is:

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

Significant Accounting Policies (Continued)

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

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

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

There were no contingent liabilities in the year.

10.11 Contingent Assets

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

10.12 Pending bills

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

Significant Accounting Policies (Continued)

10.13 Budget

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

10.14 Third party payments

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

10.15 Exchange rate differences

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

Significant Accounting Policies (Continued)

10.16 Comparative figures

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

10.17 Subsequent events

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

10.18 Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). There were no prior period adjustments in the Financial Year

11. Notes to The Financial Statements

1. Transfer from Government entities

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

	2021/22	2020/21	
	Kshs	Kshs	Cumulative to-date
Counterpart funds Quarter 1	-	8,099,608	296,161,001
Counterpart funds Quarter 2	-	32,842,690	300,876,597
Counterpart funds Quarter 3	-	-	240,180,254
Counterpart funds Quarter 4	-	-	402,845,378
	-	40,942,298	1,240,063,230

2. Proceeds from Foreign Loans

Name of Donor	Date received	Amount received in donor currency	Loan received as direct payment	Total amount in Kshs	
				FY 2021/22	FY 2020/21
			UAC	Kshs	Kshs
Grants Received from Bilateral Donors (ADB)	FY 2021/22	-	-	-	-

3. Purchase of Goods and Services

	2021/22			2020/21	Cumulative to date
	Receipts & Payments Controlled by the Entity	Receipts & Payments made by the Third Party	Total payments	Total payments	
	Kshs	Kshs		Kshs	Kshs
Domestic travel and subsistence	-	-	-	115,800	10,896,453
Branding & Advertising			-	-	7,377,271
Total	-	-	-	-	18,273,724

4. Acquisition of Non-Financial Assets

	2021/22			2020/21	Cumulative to-Date
	Payments made by the Entity	Payments Made by Third Party	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Research, studies, project preparation, design & supervision	-	-	-	-	934,534,409
Rehabilitation of Roads	-	-	-	40,942,298	13,031,812,338
Acquisition of land	-	-	-	-	65,323,210
Total	-	-	-	40,942,298	14,031,669,957

5. Cash and Cash Equivalent

	2021/22	2020/21
	Kshs	Kshs
Bank accounts (Note)	50,627,902	50,627,902
Total local currency balances	50,627,902	50,627,902

5A Bank Accounts

	2021/22	2020/21
	Kshs	Kshs
NBK - Retention (A/C No 01001-327332)	50,627,902	50,627,902
Total local currency balances	50,627,902	50,627,902

6. Accounts Payables

Description	2021-2022	2020-2021
	Kshs	Kshs
Retention - Payments controlled by the entity	50,627,902	50,627,902
Total	50,627,902	50,627,902

7. Fund Balance Brought Forward

	2021/22	2020/21
	KShs	KShs
Bank accounts	-	-
Total	-	-

8. Changes in Accounts Payable – Retentions - Payments Controlled by The Entity

Description	2021/22	2020/21
	KShs	KShs
Deposit and Retentions as at 1 st July 2021	50,627,902	50,627,902
Deposit and Retentions as at 30th June 2022	50,627,902	50,627,902
Change in Payables	-	-

12. Other Important Disclosures

1. Pending Bills (Annex 3)

	Balance b/f FY 2021/22	Additions for the period	Paid during the year	Balance c/f FY 2021/22
Description	Kshs	Kshs	Kshs	Kshs
Construction of Civil Works	17,533,871	-		17,533,871
Total	17,533,871	-		17,533,871

2. External Assistance

	2021/22	2020/21
Description	Kshs	Kshs
External assistance received as loans	-	-
Total	-	-

a. External assistance relating loans and grants

	2021/22	2020/21
Description	Kshs	Kshs
External assistance received as loans	-	-
Total	-	-

b. Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2021/22	2020/21
Description		Kshs	Kshs
Undrawn external assistance - loans		-	-
Total		-	-

c. Classes of providers of external assistance

	2021/22	2020/21
Description	Kshs	Kshs
Multilateral donors	-	-
Total	-	-

Turbi-Moyale Road Rehabilitation Project

Annual Report and Financial Statements for the financial year ended June 30, 2022

d. Purpose and use of external assistance

	2021/22	2020/21
	Kshs	Kshs
Acquisition of Assets	-	-
TOTAL	-	-

e. External Assistance paid by Third Parties on behalf of the Entity by Source

	2021/22	2020/21
Description	Kshs	Kshs
Multilateral donors	-	-
Total	-	-

**Turbi-Moyale Road Rehabilitation Project
Annual Report and Financial Statements for the financial year ended June 30, 2022**

13. Progress on Follow Up of Auditor Recommendations


Ref No	Issue / Observations from Auditor Other Matters	Management comments	Status: (Resolved / Not Resolved)	Timeframe
	<p>Under Budgeting The project management prepared a budget of Kshs.40,942,301 to be utilized on acquisition of non-financial assets. During the financial year ended 30th June, 2021, total approved budget provisions were fully utilized. However, the analysis of pending bills disclosure at annex 3A indicate that the project had an opening balance of Kshs.58,476,169 in respect of pending bills. With the full utilization of the approved budget, only 70% of the bills were covered resulting to outstanding bills amounting to Kshs.17,533,871 as at 30th June, 2021.</p>	<p>We agree with the observation. It is worth to note that This project is complete, handed over to the Government and open to public use. The Budgeted amounts are intended at settling any outstanding bills to the project. The under budgeting was occasioned by inadequate budgetary provision. However, it is anticipated that the pending bills will be settled in the F/Y 2021/22.</p>	<p>Not Resolved</p>	<p>Awaiting Government Exchequer</p>
	<p>Cash and cash Equivalents The statement of financial assets and liabilities reflect a balance of Kshs.50,627,902 in respect of cash and cash equivalents as at 30th June, 2021. The corresponding note 11.5 indicate that the money is held at the NBK retention account number 0100132733200. The account is in the name of Kenya National Highways Authority. The cash book and bank certificate has not been availed for audit. In addition, information available indicates</p>	<p>We disagree with the observation and wish to note that all supporting schedules were availed during the audit exercise including the Retention schedule. However, the following documents/information is attached herewith for your further reference.</p> <p>i. NBK certificate of balance</p>	<p>Resolved</p>	<p>Resolved</p>

**Turbi-Moyale Road Rehabilitation Project
Annual Report and Financial Statements for the financial year ended June 30, 2022**

Ref No	Issue / Observations from Auditor Other Matters	Management comments	Status: (Resolved / Not Resolved)	Timeframe
	that the project duration was four (4) years from 12 th October, 2012 to 15 th October, 2016. The retention register in support of the retention money has not been submitted for audit.	<ul style="list-style-type: none"> ii. Retention Money schedule iii. NBK Bank reconciliation 		


Eng. Kungu Ndungu
 Director General

Date 30 AUG 2022


Eng Charles O. Obuon
 Director- Development

Date 30 AUG 2022

*Turbi-Moyale Road Rehabilitation Project
Annual Report and Financial Statements for the financial year ended June 30, 2022*

14. Annexes

Annex 1 - Variance Explanations - Comparative Budget and Actual Amounts

	Final Budget	Actual on Comparable Basis	Budget Utilisation Variance	% of Utilisation Variance to Final Budget	Comments on Variance
	a	b	c=a-b	d=b/a %	
RECEIPTS DURING THE YEAR/PERIOD					
Government of Kenya	-	-	-	0%	
External financing	-	-	-	0%	
In-kind donations	-	-	-	0%	
Miscellaneous receipts	-	-	-		
TOTAL RECEIPTS	-	-	-	0%	
PAYMENTS DURING THE YEAR/PERIOD					
Purchase of goods and services	-	-	-	0%	
Acquisition of non-financial assets	-	-	-	0%	
TOTAL PAYMENTS	-	-	-	0%	

*Turbi-Moyale Road Rehabilitation Project
Annual Report and Financial Statements for the financial year ended June 30, 2022*

Annex 2 – Reconciliation of inter-entity transfer


Break Down of Transfers from The Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works			
Government Counterpart Funding	Bank Statement Date	Amount (KShs)	FY
Counterpart funds Quarter 1	-	-	2021/22
Counterpart funds Quarter 2	-	-	2021/22
Counterpart funds Quarter 1	-	-	2021/22
Counterpart funds Quarter 2	-	-	2021/22
Total			

The above amounts have been communicated to and reconciled with the parent Ministry/ state department


Eng. Kungu Ndungu
 Director General

30 AUG 2022

Date


CPA Chanje Kera
 Deputy Director (F&A)
 ICPAK Member No. 8279

30 AUG 2022

Date

***Turbi-Moyale Road Rehabilitation Project
Annual Report and Financial Statements for the financial year ended June 30, 2022***

Annex 3 - Analysis of Pending Bills

IPC/Fee Note	Supplier or Services/ Contractor	Project	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance
			a	b	c	d=a-c	2020/2021
	Consultancy						
1387/004	NORKEN INTERNATIONAL	Isiolo-Nginyang.	57,761,857	11-Jun-20	40,942,299.00	16,819,558	
JK000660/INTER3	GIBB AFRICA LTD	Turbi - Moyale 2 Road	326,173	05-Oct-16	-	326,173	
JK000660/F47	GIBB AFRICA LTD	Turbi - Moyale 2 Road	388,139	08-Dec-16	-	388,140	
	Total					17,533,871	58,476,169

**Turbi-Moyale Road Rehabilitation Project
Annual Report and Financial Statements for the financial year ended June 30, 2022**

Annex 4 – Summary of Fixed Asset Register

Asset class	Opening Cost (KShs) 2021/22	Purchases/Additions in the Year (KShs) 2021/22	Disposals in the Year (KShs) 2021/22	Closing Cost (KShs) 2021/22
	(a)	(b)	(c)	(d)= (a)+ (b)-(c)
Construction of Roads	13,966,346,747	-	-	13,966,346,747
Land Acquisitions	65,323,210	-	-	65,323,210
Total	14,031,669,957	-	-	14,031,669,957

30 AUG 1972

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