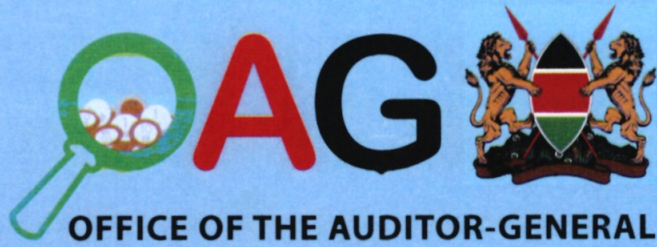
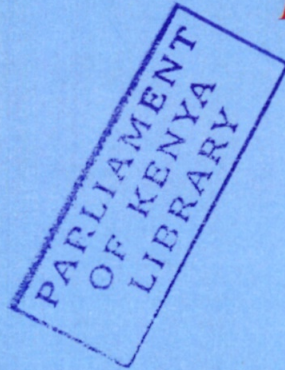



REPUBLIC OF KENYA



Enhancing Accountability



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 NOV 2024	DAY. Fri
OF TABLED BY:	Hon. Naomi Wago, MP Deputy Whip - Maj. Party
CLERK-AT THE-TABLE:	Vivian Wambui

THE AUDITOR-GENERAL

ON

**EAST AFRICA SKILLS FOR TRANSFORMATION
AND REGIONAL INTEGRATION PROJECT
(CREDIT NUMBER 6334-KE)**

**FOR THE YEAR ENDED
30 JUNE, 2024**

**KENYA COAST NATIONAL
POLYTECHNIC**



Project Name: EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL

INTEGRATION PROJECT (EASTRIP)

KENYA COAST NATIONAL POLYTECHNIC

PROJECT CREDIT NUMBER: 6334-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024**

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

**EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT.
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE
30, 2024**

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**EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT.
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30, 2024**

1.0 ACRONYMS AND GLOSSARY OF TERMS

1. BED – Bachelor of Education
2. BSE – Bachelor of Science
3. CPAK (K) – Certified Public Accountants – Kenya
4. EASTRIP – East Africa skills for Transformation and Regional Integration
5. EACC – Ethics and Anti – Corruption Commission
6. HOD – Head of Department
7. ICPAK – Institute of Certified Public Accountant of Kenya
8. IPSAS – International Public Sector Accounting Standards
9. MBA – Masters in Business Administration
10. NIT – National Institute of Transport
11. PFM – Public Financial Management
12. PIU – Project Implementation Unit
13. PSASB – Public Sector Accounting Standards Boards
14. RTI – Railways Technical Institute – Kisumu
15. SIT - Sychelles Institute of Technology
16. SMA - Sychelles Marine Academy
17. STA – Sychelles Technical Academy
18. TVC – Technical Vocational College
19. TVET - Technical and Vocational Education and Training
20. WB – World Bank

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: East Africa Skills for Transformation and Regional Integration Project

Objective: The key objective of the project is to increase the access and improve the quality of TVET programs in selected Regional Flagship TVET Institutes and to support regional integration in East Africa.

Address: The project headquarters office is Ministry of Education, Kenya

The address of its registered office is:
Kenya Coast National Polytechnic
P.O Box 81220 Code 80100
Mombasa, Kenya

Contacts: The following are the project contacts

Telephone: (254) 0710389727, 0712725554

E-mail: info@kenyacoastpoly.ac.ke

Website: www.kenyacoastpoly.ac.ke

1.2 Project Information

Project Start Date:	The project start date is 16/9/2019
Project End Date:	The project end date was initially 31/12/2024 but now extended to 31/12/2026
Project Manager:	The project manager is Mary Mwende Muthoka
Project Sponsor:	The project sponsor is World Bank

1.3 Project Overview

Ministry of Education/State Department of Vocational and Technical Training	The project is under the supervision of the Ministry of Education, State department of Vocational & Technical Education .
Project number	6334-KE

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ol style="list-style-type: none"> i. Produce highly skilled, competent and self-driven operators and middle level human resource for industrial growth. ii. Generate applied knowledge, innovations and technological solutions for solving practical problems in the workplace. iii. Provide extension services to the community and society in general. iv. Strengthen good governance and effective management of the Polytechnic. v. Enhance existing linkages and collaborations and develop new ones vi. Enhance regional integration
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ol style="list-style-type: none"> (i) Establishment of project implementation unit (ii) Establishment of Industry Advisory Board (iii) Number of Student enrolment at the polytechnic in programmes aimed at meeting needs of the priority sector (iv) Number of demand driven programmes developed and accredited by the national TVET accreditation agencies or certified by industry (v) Training staff in the Polytechnic who have industrial attachment (vi) Teaching staff who undertake exchange in TVET institutes in another country (vii) Number of memoranda of understanding signed with institutions and industry (viii) Tracer studies conducted annually
Other important background information of the project	<p>The project is targeting marine transport and port logistics where the main aim would be to use the industry advisory board to ensure the programmes implemented meet the industry demands.</p>

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <ul style="list-style-type: none"> i. Lack of modern equipment for the Centre ii. Lack of capacity for some trainers in specialized maritime programmes iii. Inadequate staff iv. Inadequate workshops and labs v. Low enrolment in marine engineering and logistics vi. Few linkages with industry vii. Lack of student accommodation
Project duration	The project started on 16/09/2019 and was expected to run until 31 December 2024 but now extended to 31 December 2026

1.4 Bankers

Equity Bank
Moi Avenue
MOMBASA

1.5 Auditors

Auditor General
Office of Auditor General
Anniversary Towers, University Way
P. O Box 30084
GPO 00100
Nairobi, Kenya

The project is audited by the **Auditor General**

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

1.6 Core Project Team, Roles and Responsibilities

Names	Designation	Key Qualification	Responsibilities
Mary M. Muthoka	Chief Principal	BED MBA	Accounting Officer
Kevin Ochieng	HOD Mechanical.	B.Educ(Technology)	Centre Leader
CPA Clerkson O. Boio	Financial Controller	CPA(K) MBA	Project Accountant
Magdaline Kituku	Ag Deputy Dean of Students	BED, Masters in Project Planning & Management	Industrial Liaison
Poul Omollo	HOD Medical	B.Sc.(Environmental Health Science)	Environmental matters
Elphas Muge	Ag Dean of Students	Degree in supplies chain Management	Monitoring &Evaluation
Dorothy Nyagitari	Senior Procurement Officer	B.sc in Supply Chain Management, MSC in Procurement	Procurement
Jane W.Kariuki	Deputy Principal-Academic	BED, Master in Education	Gender and Social Safeguards
OTHERS			
Peter Musili	Accountant	CPA B.com(Finance)	Bank Signatory

1.7 Funding summary

The Project was for duration of 5 years but now extended by 2 years from 16/9/2019 to 31/12/2026 with an approved budget of EUR 9,280,000 equivalents to KShs 1,080,000,000 as highlighted in the table below:

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30/6/2024)		Undrawn balance to date (30/6/2024)	
	Donor currency	KShs	Donor currency	KShs	Donor currency	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
World Bank- Rate 116.378	9,280,000	1,080,000,000	4,584,954	546,970,407	4,695,046	533,029,593
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Total	9,280,000	1,080,000,000	4,584,954	546,970,407	4,695,046	533,029,593

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

PROJECT INFORMATION AND OVERALL PERFORMANCE(Continued)

B. Application of Funds

Application of funds	Amount received to date -30 th June 2024		Cumulative Amount paid to date – 30 th June 2024		Unutilized balance to date 30 th June 2024	
	<i>Donor currency</i>	<i>KShs</i>	<i>Donor currency</i>	<i>KShs</i>	<i>Donor currency</i>	<i>KShs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Grant						
World Bank-Rate 116.378	4,699,947	546,970,407	4,584,954	533,587,741	114,993	13,382,666
Total	4,699,947	546,970,407	4,584,954	533,587,741	114,993	13,382,666

1.8 Summary of Overall Project Performance:

The total amount Kenya Coast National Polytechnic received so far since the start of the project from the World Bank, through the Ministry of Education, is Ksh 546,970,407 (USD 5,469,704). Ksh 200,000,000 (USD 2,000,000) was received on 20th February, 2020, Ksh 115,000,000 (USD 1,150,000) was received on 11th June 2021 while ksh 9,662,657 (USD 9,663), Ksh 10,000,000 (USD 100,000), Ksh 100,000,000 (USD 1,000,000) and Ksh 112,307,751 9 (USD 1,123,078) were received on 22nd August 2022, 8th December 2022, on 12th April 2023 and on 19th October 2023 respectively. The total amount spent accumulatively since the beginning of the project is Ksh 533,587,741 (USD 5,335,877). In the financial years from 2019 to 30 June, 2022 was spent Ksh 150,931,474 (1,509,315), as in the FY 2022/2023, the amount spent was Ksh 186,239,622 (USD 1,862,396) while in this financial year, 2023/2024 the total amount spent is Ksh 196,416,645 (USD 1,964,166). So the accumulative expenditure since the start of the project is Ksh 533,587,741 (USD 5,335,877.406).

1.9 Summary of Project Compliance

- i) The Polytechnic attained its readiness(DLI1) having Established Project Implementation Units under DLR 1.1 and Industrial Advisory Board under DLR 1.2
- ii) The Polytechnic opened Project Account which was submitted to the World Bank through the Ministry of Education.
- iii) Developed strategic Investment Plan and project implementation guidelines
- iv) Consultancy services for TNA, Tracer study and Labour Market Survey is complete.
- v) Consultancy services for Equipment specification is complete.
- vi) Review, revise strategic and master plan as well as preparation of sustainability plan are complete.

**EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION
PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL
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2. STATEMENT OF PERFORMAMCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

The project predetermined key objective is to increase the access and improve the quality of TVET programs in the Polytechnic and to support regional integration in East Africa. The Polytechnic Industrial Advisory board was established to assist improvement of the quality of the programmes offered and also to enhance recruitment of both local and regional students. Members of the project implementation unit were appointed by the Project Manager. Achieved objectives of the project as per the program plan are as follows:

1. Strengthening Governance & Management

- Strategic development plan developed and approved
- Project Implementation unit established
- Training for Council and top Management was done (corporate governance)
- Strategic plan revised, Sustainability plan developed
- Policy on Scholarship developed
- Guidelines for Staff attachment and foreign exchanges developed.
- Project office established and furnished
- Benchmarking was done with (RTI Kisumu, Egerton University, Carribean Maritime University, NIT Tanzania, Arab Academy for Science Technology and Maritime Transport and Seychelles (SIT, SMA and STA)

2. Institutionalizing Industry Linkages

- Eight stakeholder forums were conducted
- Industrial Advisory Board was established with 86% representation from the industry
- Eleven Memorandum of Understandings (MOUs) were signed
- Thirty-one members of Staff underwent for staff attachment
- Student attachment is continuously being conducted
- Tracer studies conducted annually and representatives from all departments trained
- One hundred and eleven regional students enrolled.

3. Development of Market Relevant CBET Curriculum

- Labour Market Survey Conducted
- Eleven curriculums have been developed, 3 Short term and 4 long term.

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- Four other curriculums have been developed and awaiting approval
- E learning platform established

4. Training School Managers and Trainers

- Training Needs assessment for Staff.
- Ten Heads of sections trained on supervisory skills development.
- Thirteen Members of Staff were trained on Project Management PMP (PIU & 6 others)
- Six Staff members trained on Public Relations & Customer care
- Six staff members trained on sign language course.
- Nineteen members of staff (HODs) trained on senior management course (SMC)
- Four staff members trained on sign language course

5. Upgrade of Key Training Facilities and Infrastructure

- Project Bus procured and delivered
- Contract for supply of equipment signed and delivered in full.
- All consignments of equipment have been delivered.
- Designs for Buildings Complete including ESIA
- Evaluation for construction done.
- Contract for construction signed and construction at 75% as per the progress implementation report while as per as per Financial statement, based on actual payment, it is 45.46%
- Grievance Redress Committee established and trained
- Grievance reporting system adopted.

6. Outreach to Non Project National TVET

- Needs for support has been received from Ukunda Youth
- Fifteen Institutions have been trained and allowed to use our Learning Management System

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

- The project has component on outreach for non-project TVET. Originally we had planned to support lamu TVC so that they can start maritime programmes. Since Lamu TVC is not yet operational, we decided to support Ukunda Youth and sharing of resources. This is being done through MOU. The institutions we have selected to support include: Ahmed shahame Mwidani TVC, Likoni TVC and Ukunda youth polytechnic. Partnership agreements and work

**EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION
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YEAR ENDED JUNE 30, 2024**

plan have been developed. Fifteen Institutions have been trained and allowed to use our Learning Management System.

4. ENVIRONMENTAL AND SUSTAINABILITY REPORT

EASTRIP exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

1. Environmental performance

Environmental policy guiding the organization

Teaching and Training Mandate: To develop programs for imparting knowledge to promote environmental management and sustainability practices. The Polytechnic shall integrate ESD principles in its curricula to deliver teaching and training based on the principles of environmental management and sustainability

Research and Innovation Mandate Objective: To promote and encourage better research (basic and applied) methods, and appropriate technologies, invention and innovation for sustainable environment

Community Outreach and Service Mandate Objective: To promote public awareness and build understanding of the principles of environment management and sustainability through partnerships with the community under '3 Cares' of local well-being; i.e., Care for self; Care for one another and Care for one's environment.

Several species of trees have been planted both indigenous and exotic species to maintain biodiversity. All waste generated from the polytechnic are collected, sorted and disposed off at the official waste disposal site in Mwakirunge.

2. Employee welfare

Hiring of workers is based on the need which may arise from time to time, during the hiring process, advertisements are done public domains and everybody is given equal opportunity to apply, this includes people leaving with special ability, gender exclusivity and child labour are considered. This ensures all stakeholders are involved during this process to fare chance for all to participate in the recruitment process. Employees are often rewarded as a motivating factor and upgrading of skills done by conducting staff development programme as indicated in section four of this document. Staff promotion are periodically done based on merit and performance.

The polytechnic has occupational health and safety policy guiding health and safety of workers, and a well trained health and safety committee trained and certified by Directorate of Occupational Health and Safety -Kenya according to OSHA act 2007.

3. Market place practices

**EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION
PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL
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a) Responsible Supply chain and supplier relations

Kenya Coast National Polytechnic advertises its tenders on the daily newspaper and also on its own website. It prides itself in providing an equal opportunity to Kenyans to participate in the tendering processes.

The Polytechnic also maintains a register of suppliers categorized into general and other special groups like the women, PWD, youth etc. After contract signature, suppliers are encouraged to deliver requirements within a reasonable lead time to meet user department needs.

b) Responsible ethical practices

The Polytechnic has a Corruption Prevention Committee (CPC) and Integrity Assurance Committee (IAC) who sphere head the corruption prevention activities

The Corruption Prevention Policy directs the activities of the committees

There is a code of conduct which is also available on the Polytechnics website for reference by all stakeholders. This gives direction on the ethical conducts by the staff and students at the Polytechnic

As per the Performance Contract, the committee prepares reports to the Ethics and Anti-Corruption Commission (EACC) on quarterly basis. The reports are based on Bribery and Corruption Risks and Mitigation Plan that is developed every year.

Corruption prevention boxes are strategically placed to enable stakeholders to report corruption cases anonymously for action. Corruption cases can also be reported through the official Polytechnic email or telephone numbers

Any case that is reported is forwarded to the relevant office/officers for action

There are posters and signage to show that corruption is not allowed at the Polytechnic

Sensitization is done to staff students and other stakeholders during forums such as staff meetings, students orientation meetings, etc

c) Regulatory impact assessment

Citizen and stakeholder's rights are guarded by the ethical practices outlined in 4b above. There is stakeholder's engagement plan designed to ensure all stakeholders are involved.

5. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Project Manager for Kenya Coast National Polytechnic and the Project Centre Leader for EASTRIP 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 period ended on June 30, 2024. 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

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

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 Project Manager for Kenya Coast National Polytechnic and the Project Centre Leader for EASTRIP 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 Project Manager for Kenya Coast National Polytechnic and the Project Centre Leader for EASTRIP 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 ended June 30, 2024, and of the Project's financial position as at that date. The Project Manager for Kenya Coast National Polytechnic and the Project Centre Leader for EASTRIP 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 Project Manager for Kenya Coast National Polytechnic and the Project Centre Leader for EASTRIP 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 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

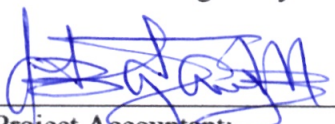
The Project financial statements were approved by the Project Manager for Kenya Coast National Polytechnic and the Project Centre Leader for EASTRIP project on 30/9/2024 and signed by them.



Project Manager
Name: Mary M. Muthoka



Project Centre Leader
Name: Kevin Ochieng



Project Accountant:
Name: Clerkson Bolo
ICPAK 5067

REPUBLIC OF KENYA



Enhancing Accountability

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

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

REPORT OF THE AUDITOR-GENERAL ON EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT (CREDIT NUMBER 6334-KE) FOR THE YEAR ENDED 30 JUNE, 2024 – KENYA COAST NATIONAL POLYTECHNIC

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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of East Africa Skills for Transformation and Regional Integration project - Kenya Coast National Polytechnic (KCNP) set out on pages 1 to 18, which comprise the statement of financial assets and

Report of the Auditor-General on East Africa Skills For Transformation And Regional Integration Project (Credit Number 6334-Ke) for the year ended 30 June, 2024 – Kenya Coast National Polytechnic

liabilities as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of East Africa Skills for Transformation and Regional Integration Project-KCNP as at 30 June, 2024 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 the Financing Agreement No 6334-KE dated 18 December, 2018 and comply with the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the East Africa Skills Transformation and Regional Integration project-KCNP Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.575,000,000 and Kshs.112,307,751 respectively, resulting to an under-funding by Kshs.462,692,249 or 80.5% of the budget. Additionally, Management spent Kshs.196,416,645 against the budgeted expenditure of Kshs.575,000,000 resulting to under expenditure of Kshs.378,583,355 or 66%.

The underfunding and under-expenditure may have affected timely implementation of planned activities and service delivery to the citizens.

2. Late Requisition for Funds

The statement of comparison of budget and actual amounts reflects budgeted final payments of Kshs.575,000,000 against an actual expenditure of Kshs.196,416,645. However, review of withdrawal requests to World Bank indicated that the project Management made a request for withdrawals of Kshs.81,939,209 on 28 August, 2023 and another request of Kshs.414,937,791 on 28 May, 2024, one month to the end of the

financial year. This implies that 72.2% of the budgeted funds were requisitioned at the end of the financial year while Kshs.78,123,000 or 14% of the budgeted funds were never requisitioned.

The late requisitioning of funds may have impacted negatively on the planned project activities.

My opinion is not modified in respect of these matters.

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

Unresolved Prior Year's Audit Matters

During the audit report for the previous year, several issues were raised in respect of the Report on Financial Statements and the Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or provided explanation for failure to implement the recommendations.

Other Information

Conclusion

The Management is responsible for the other information set out on page iii to xii which comprise of Project Information and Overall Performance, Statement of performance Against Project's Predetermined Objectives, Environmental and Sustainability Reporting and Corporate Governance Statement. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the East Africa Skills Transformation and Regional Integration Project-KCNP financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters 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

1. Construction – Civil Works

The statement of receipts and payments and Note 5 to the financial statements reflects an expenditure of Kshs.75,221,949 in respect to construction – civil works incurred during the year. The payments relate to a contract for construction of Regional Flagship Marine Transport and Port Logistics Centre in Kwale County at a contract sum of Kshs.606,561,761. The following unsatisfactory audit observations were made in relation to the expenditure:-

1.1. Irregular Contract Variation

Review of procurement records in respect to the expenditure shows that Management entered into a contract with a construction company on 18 November, 2022 for the construction of Regional Flagship Marine Transport and Port Logistics Centre in Kwale County at a contract sum of Kshs.606,561,761 for a contract period of eighteen (18) months. The contractor had been paid Kshs.186,013,031 as at 30 June, 2024. However, review of certificate No. 3 dated 6 July, 2023 of Kshs.30,493,015 shows that Management had varied the works by Kshs.5,317,828 with Kshs.2,026,208 of the variation sums being paid within the year under review. The variation had been executed within eight (8) months from the date of signing the contract, contrary to the provisions of Section 139 (3) of the Public Procurement and Assets Disposal Act, 2015 which requires variations to be effected only after twelve months from the date of signing the contract

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

1.2. Slow Pace of Project Implementation

Project verification conducted on 28 August, 2024 at the construction site in Kwale County revealed that the construction was ongoing but at a slow rate. There were no activities ongoing at the catering center which was at 43.78% completion level. The clerk of works on site indicated that works had slowed down because the contractor was waiting for site instructions on installation of kitchen equipment while the Marine Centre was still in progress. As at the closure of the year under review, the measured and certified works

were at 49.04% completion level yet the contract period is scheduled to end on 15 December, 2024.

In the circumstances, the project may not be completed on time and the stakeholders may not get value for money from the project as earlier envisaged.

1.3. Irregular Payment for Materials on Site as Part of Certified Works

Included in the expenditure of Kshs.75,221,949 construction - civil works is an amount of Kshs.59,707,575 in respect to certificate numbers 3 and 4. Review of the itemized cost reports shows that Kshs.24,292,500 was included for material on site contrary to the general condition of the contract under section 44.4 and 44.5 which requires that, the value of work executed to comprise of the value of the quantities of work in the bill of quantities that have been completed. Further, subsequent certificate numbers. 5, 6 and 7 also includes material on site costing Kshs.21,884,367 approved for payment contrary to the general conditions of the contract agreement.

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

2. Lack of Value for Money in Procurement of Marine Equipment

The statement of receipts and payments and Note 6 to the financial statements reflects expenditure of Kshs.99,443,659 in respect to marine equipment. Review of procurement and payment documents shows that Management entered into a contract with a contractor for the supply, delivery, installation, testing and commissioning of maritime lab equipment, software and simulators including training on use of equipment, at a contract sum of Kshs.211,070,160 (USD 1,675,160). The contract was signed on 4 July, 2022 for a contract period of eight (8) months and the equipment's were to be delivered on diverse dates from July 2023 and to be installed at the marine laboratories under construction in Kwale County. However, the following unsatisfactory issues were noted in respect to the contract:

- i. The equipment was delivered to the Kenya Coast National Polytechnic along Kisauni road in Mombasa town and not at Kenya Coast National Polytechnic's Waa campus, Kwale County as indicated in the contract through addendum number one (1) dated 3 November, 2021 which clarified on the place of delivery.
- ii. The marine laboratories where the equipment was to be installed are still under construction as at the time of audit inspection carried out on 29 August, 2024.
- iii. The lifeboat and davit, which forms part of the hardware delivered, are kept outdoors in the open field which exposes the equipment to the risk of damage or theft.
- iv. No evidence was provided to show that the equipment was insured by Management to cover for any risks that may arise while under storage.

In the circumstances, value for money for the procurement of the marine equipment could not be confirmed.

The audit was conducted in accordance with ISSAIs 3000 and 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 comply 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 governance were not effective.

Basis for Conclusion

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

Responsibilities of Project Management

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 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention to cease operations.

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

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

The Project 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I also I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathanga, CBS
AUDITOR-GENERAL

Nairobi


28 October, 2024

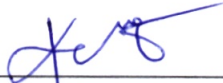
EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024


1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED JUNE 30, 2024

	Note	2023/2024		2022/2023		Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
RECEIPTS						
World Bank-receipt	1	112,307,751	-----	119,662,657	-----	546,970,408
Interest Earned		0		0	-----	4,102,713
TOTAL RECEIPTS		112,307,751	-----	119,662,657	-----	551,073,121
PAYMENTS						
Compensation of Employees	2	2,192,481	-----	1,746,930	-----	5,453,033
Purchase of Goods and services	3	19,558,556	-----	31,618,847	-----	189,961,999
Adjustment of interest earned transferred back						(4,102,713)
Acquisition of non-financial assets	4	0	0	0		14,735,969
Construction-civil works	5	75,221,949		134,686,345	-----	209,908,294
Marine Equipment	6	99,443,659		18,187,500	-----	117,631,159
TOTAL PAYMENTS		196,416,645	-----	186,239,622	-----	533,587,741
SURPLUS/(DEFICIT)		(84,108,894)	-----	(66,576,965)	-----	17,485,380

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


Project Manager
Name: Mary M. Muthoka


Project Centre Leader
Name: Kevin Ochieng


Project Accountant:
Name: Clerkson Bolo
ICPAK 5067


EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024


2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT JUNE 30, 2024

	Note	2023-2024	2022-2023
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents	7	17,485,380	101,594,274
Total Financial Assets		17,485,380	101,594,274
Financial Liabilities		_____	_____
REPRESENTED BY			
Fund balance b/f		101,594,274	168,171,239
Surplus (Deficit) for the year		(84,108,894)	(66,576,965)
NET FINANCIAL POSITION		17,485,380	101,594,274

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **30/09/2024** and signed by:


Project Manager
Name: Mary M. Muthoka


Project Centre Leader
Name: Kevin Ochieng



Project Accountant:
Name: Clerkson Bolo
ICPAK 5067

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024


3. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30th JUNE 2024

		2023-2024	2022-2023
	Note	KShs	KShs
Receipts from operating activities			
World Bank grant	1	112,307,751	119,662,657
Interest Earned- Transfer b/f		-----	-----
Total receipts		112,307,751	119,662,657
Payments from operating activities			
Compensation of Employees	2	2,192,481	1,746,930
Purchase of Goods and Services	3	19,558,556	31,618,847
Construction – Civil works	5	75,221,949	134,686,345
Marine equipment	6	99,443,659	18,187,500
Total payments from operating activities		196,416,645	186,239,622
Net cash flow from operating activities		(84,108,894)	(66,576,965)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets		-----	-----
Net cash flows from Investing Activities		-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENT		(84,108,894)	(66,576,965)
Cash and cash equivalent at the start of the year 1 July 2023		101,594,274	168,171,239
Cash and cash equivalent at the end of the year 30 June 2024		17,485,380	101,594,274

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 **30/09/2024** and signed by:


 Project Manager
 Name: Mary M. Muthoka


 Project Centre Leader
 Name: Kevin Ochieng



 Project Accountant:
 Name: Clerkson Bolo
 ICPAK 5067

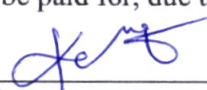
EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

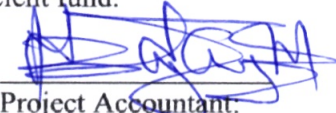
4. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

Receipts/Payments Item	Original Budget 2023/2024	Adjustments	Final Budget- 2023/2024	Actual on Comparable Basis- 2023/2024	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfer from Government entities						
Proceeds from domestic and foreign grants- World Bank	575,000,000	-----	575,000,000	112,307,751	462,692,250	20
Proceeds from borrowings						
Miscellaneous receipts						
Total Receipts	575,000,000	-----	575,000,000	112,307,751	462,692,250	20
Payments						
Compensation to employees	2,195,880	-----	2,195,880	2,192,481	3,399	100
Purchase of goods and services	30,459,195		30,459,195	19,558,556	10,900,639	64
Social security benefits						
Acquisition of non-financial assets-						
Marine Equipment	200,000,000		200,000,000	99,443,659	100,556,341	50
Construction-Civil works	342,344,925	-----	342,344,925	75,221,949	267,122,976	22
Transfers to other government entities						
Total Payments	575,000,000	-----	575,000,000	196,416,645	378,583,355	34
Surplus or Deficit	0		0	(84,108,894)		

- World Bank grant variance was due to inadequate disbursement.
- Under purchase of goods and services most of the activities are spread to the following year 2024/2025 since they are continuous.
- Construction works is Continues process hence spread to the following year 2024/2025
- Purchase of equipment could not be paid for, due to insufficient fund.


Project Manager
Name: Mary M. Muthoka


Project Centre Leader
Name: Kevin Ochieng


Project Accountant
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ICPAK 5067

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

5. SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Basis of Preparation

5.1.1 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.

5.1.2 Reporting entity

The financial statements are for the Project number 6334-Ke under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

5.1.3 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.

5.2 Significant Accounting Policies

a) Recognition of receipts

The Project recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Polytechnic.

• Transfers from the Exchequer

Transfer from Exchequer, if any, is be 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.

• External Assistance

External assistance, if any, is received through grants and loans from multilateral and bilateral development partners.

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Proceeds from borrowing

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

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

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 recognised in the financial statements the time associated cash is received.

b) Recognition of payments

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

Compensation of employees

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

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.

Interest on borrowing

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

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

c) 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.

d) 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.

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

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Accounts receivable

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.

f) 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:
 - (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. Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

g) Contingent Assets

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

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) 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' items to provide a sense of the overall net cash position of the Project at the end of the year. 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.

i) 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.

j) 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 party's column in the statement of receipts and payments.

k) 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

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

SIGNIFICANT ACCOUNTING POLICIES (Continued)

the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

l) 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.

m) Subsequent events

There have been no events subsequent to the financial period end with a significant impact on the financial statements for the period ended June 30, 2024.

n) Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

6. NOTES TO THE FINANCIAL STATEMENTS

1. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2024 we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment *	Grants received in kind	Total amount in KShs	
						2023/2024	2022/2023
		EUR	KShs	KShs	KShs	KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)							
Receipt from WB						112,307,751	119,662,657
Total		NIL	NIL	-----	-----	112,307,751	119,662,657

2. COMPENSATION OF EMPLOYEES

	2023/2024			2022/2023	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to- date
	KShs	KShs	KShs	KShs	KShs
Basic wages of temporary employees	1,635,771	----- ---	1,635,771	1,245,880	4,298,073
Allowances for Employee	506,760		506,760	453,530	960,290
Compulsory national social security schemes	49,950	----- ---	49,950	47,520	194,670
Total	2,192,481	-----	2,192,481.00	1,746,930	5,453,033

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. PURCHASE OF GOODS AND SERVICES

	2023/2024			2022/2023	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Consultancy Services for Designs	-----	-----	-----	1,165,472	22,237,112
Consultancy Services for TNA, Tracer study	-----	-----	-----	-----	32,880,739
Consultancy Services for Equipment specifications	-----	-----	-----	-----	5,556,778
Consultancy Services for Sustainability plan	-----	-----	-----	-----	4,997,760
Industrial-linkages Attachment	-----	-----	-----	2,637,497	4,644,108
Curriculum Development	-----	-----	-----	552,500	8,515,421
Staff Training	-----	-----	-----	1,659,297	21,072,264
Benchmarking	-----	-----	-----	3,143,360	8,702,500
Monitoring & Evaluation	-----	-----	-----	2,012,582	2,606,482
Digital program and platform	-----	-----	-----	1,808,040	9,008,480
Bank charges	69,453	-	69,453	24,795	194,106
Strategic and Master plan	-----	-	-----	-----	790,300
Local Transport and Travelling	847,980	-	847,980	2,167,250	6,702,184
Communication expenses	848,000	-	848,000	887,000	3,582,588
Evaluation and Negotiation	--	-	-----	-----	154,800
Contingencies/Stationa	123,758	-	123,758	-----	448,431
Repairs and Maintenance	265,904	-	265,904	3,439	292,743
Environmental Assessment	-----	-	-----	-----	428,560
Stakeholders	-----	-----	-----	-----	531,900

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

Conference					
Grievance Redress	-----	-	-----	758,900	1,237,000
Meetings and Conference	5,279,861	-----	5,279,861	2,565,088	15,341,051
Marine Equipment-Advert and evaluation	-----	-	-----	-----	499,720
Insurance expenses	-----	-	-----	-----	169,698
Marketing and Branding	-----	-	-----	769,138	2,476,465
Staff exchange	3,323,640	-----	3,323,640	619,931	7,543,850
KCNP Allumini	-----	-----	-----	-----	397,200
Advisory Board	835,700	-----	835,700	234,000	1,256,700
Security services	-----	-----	-----	-----	12,000
Certification	-----	-----	-----	198,224	198,224
Printing and Stationary	80,162.23	-----	80,162	264,244	692,519
Tracer Study	52,500	-----	52,500	1,202,395	1,703,595
Student scholarship	58,000	-	58,000	1,624,455	5,889,170
Staff and Council Training	7,773,598		7,773,598	7,321,240	15,094,838
Total	19,558,556		19,558,556	31,618,847	185,859,286

4. ACQUISITION OF NON-FINANCIAL ASSETS

	2023/2024			2022/2023	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Project vehicle	-----	-----	-----	0	8,051,038
Furniture and Fixture	-----	-----	-----	0	1,630,920
Equipment	-----	-----	-----	0	5,054,011
Total	-----	-----	-----	0	14,735,969

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

5. CONSTRUCTION- CIVIL WORKS

	2023/2024			2022/2023	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Contractor	63,889,048	-----	63,889,048	122,123,983	186,013,031
Consultancy service for Construction	11,332,901	-----	11,332,901	10,020,790	21,353,691
Tender advert and Evaluation	-----	-----	-----	767,529	767,529
Ground breaking	-----	-----	-----	1,774,043	1,774,043
Total	75,221,949	-----	75,221,949	134,686,345	209,908,294

6. MARINE EQUIPMENT

	2023/2024			2022/2023	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
KRA-Tax-Equipment	17,470,705		17,470,705	18,187,500	35,658,205
Marine Equipment	81,972,954		81,972,954		81,972,954
Total	99,443,659		99,443,659	18,187,500	117,631,159

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

7.0 CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2023/24	2022/23
	KShs	KShs
Cash at Bank	3,095,401	101,554,010
Cash on Hand	43,984	40,264
The Polytechnic-Capital Development Fund Saving A/C No. 1194913992	14,345,995	-----
Total	17,485,380	101,594,274

The project retention fund was kept in the Polytechnic Capital development savings a/c where all other deposits for retentions and development funds are kept. 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, Therefore, in this case, where retention money was kept in KCNP Capital development fund savings account, it is recognized as cash and cash equivalent and it is an asset for the project.

8.0 The project has one project accounts as listed below:

8.1 A Bank Accounts

Project Bank Accounts

	2023/2024	2022/22023
	KShs	KShs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya	26,597.82	872,622.058
Total Foreign Currency balances	26,597.82	872,622.058
<u>Local Currency Accounts</u>		
Central Bank of Kenya	-----	-----
Equity Bank A/C No.0250279469130	3,095,400.86	101,554,010
Total local currency balances	3,095,400.86	101,554,010
Total bank account balances	3,095,400.86	101,554,010

**EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION
PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL
YEAR ENDED JUNE 30, 2024**

8.2 FUND BALANCE CARRIED FORWARD

	2023/2024	2022/2023
	KShs	KShs
Accumulated Surplus/Deficit	3,095,400.86	101,554,010
Total	3,095,400.86	101,554,010


EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

7 PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'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)
OAG/CR/AUD/6/1/2022/2023-(11)	Cash and cash Equivalent	Providing Board of survey report, signing cash books, availed bank reconciliations.	Resolved	N/A
OAG/CR/AUD/6/1/2022/2023-(11)	Unsupported payments on construction- <u>Civil works</u>	Providing the two support documents which are Contractor tax compliance certificate and Contactor's consultant request of payment.	Resolved	N/A
OAG/CR/AUD/6/1/2022/2023-(11)	Irregular contract	Design and management was one	Resolved	N/A

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

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)
		consultant.		
OAG/CR/AUD/6/1/2022/2023-(11)	Irregular procurement of marine equipment	Marine equipment were procedurally procured	Resolved	N/A



 Project Manager

Date 30/09/2024



 Project Centre Leader

Date 30/09/2024

8. ANNEX 1 - VARIANCE EXPLANATIONS – COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities					
Proceeds from domestic and foreign grants-World Bank	575,000,000	112,307,751	462,692,250	20	Inadequate disbursement
Proceeds from borrowings					
Miscellaneous receipts					
Total Receipts	575,000,000	112,307,751	462,692,250	20	
Payments					
Compensation of employees	2,195,880	2,192,481	3,399	100	
Purchase of goods and services	30,459,195	19,558,556	10,900,639	64	Some of the activities were pushed to the following FY 2024/2025
Social security benefits					
Acquisition of non-financial assets					
Marine Equipment	200,000,000	99,443,659	100,556,341	50	Payments for the supply of

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
					equipment delayed due to delay in funds disbursement hence spread to the following year 2024/2025
Construction-Civil works	342,344,925	75,221,949	267,122,976	22	Continues process hence spread to the following FY year 2024/2025
Transfers to other government entities					
Total payments	575,000,000	196,416,645	378,583,355	34	

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

ANNEX 2A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024	Outstanding Balance 2024	Comments
	a	b	c	d=a-c		
Construction of buildings						
1. Contractor	Ksh 112,501,761.50	-----	-----	-----	-----	
2.		-----	-----	-----	-----	
3.	-----	-----	-----	-----	-----	
Sub-Total	Ksh 112,501,761.50					
Construction of civil works						
4.	-----	-----	-----	-----	-----	
5.	-----	-----	-----	-----	-----	
6.	-----	-----	-----	-----	-----	
Sub-Total						
Supply of goods						
7. Marine equipment	Ksh 114,292,876	-----	-----	-----	-----	
8.	-----	-----	-----	-----	-----	
9.	-----	-----	-----	-----	-----	
Sub-Total	Ksh 114,292,876					
Supply of services						
10. Consultant in Construction	Ksh 10,932,968	-----	-----	-----	-----	
11.	-----	-----	-----	-----	-----	
12.	-----	-----	-----	-----	-----	
Sub-Total	Ksh 10,932,968					
Grand Total	237,727,605					

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

ANNEX 2B - ANALYSIS OF PENDING STAFF BILLS

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2024	Outstanding Balance 2024	Comments
		a	b	c	d=a-c		
Permanent Employees - Management							
1.	-----		-----	-----	-----	-----	
2.	-----		-----	-----	-----	-----	
3.	-----		-----	-----	-----	-----	
Sub-Total							
Permanent Employees - Others							
4.	-----	-----	-----	-----	-----	-----	
5.	-----	-----	-----	-----	-----	-----	
6.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Temporary employees							
7.	-----	-----	-----	-----	-----	-----	
8.	-----	-----	-----	-----	-----	-----	
9.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Others (specify)							
10.	-----	-----	-----	-----	-----	-----	
11.	-----	-----	-----	-----	-----	-----	
12.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Grand Total							

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

ANNEX 2C - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2023/2024	Outstanding Balance 2023/2024	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.	-----	-----	-----	-----	-----	-----	
2.	-----	-----	-----	-----	-----	-----	
3.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Amounts due to County Govt Entities							
4.	-----	-----	-----	-----	-----	-----	
5.	-----	-----	-----	-----	-----	-----	
6.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Amounts due to Third Parties							
7.	-----	-----	-----	-----	-----	-----	
8.	-----	-----	-----	-----	-----	-----	
9.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Others (specify)							
10.	-----	-----	-----	-----	-----	-----	
11.	-----	-----	-----	-----	-----	-----	
12.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Grand Total							

**EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024**

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) 2023/2024	*Purchases/Additions in the Year (KShs) 2023/2024	**Disposals in the Year (KShs) 2023/2024	Transfers in/(out) Kshs 2023/2024	Closing Cost (KShs) 2023/2024
	(a)	(b)	(c)	(d)	(e)= (a)+ (b)-(c)+(-d)
Land					
Buildings and structures	134,686,345	75,221,949			209,908,294
Marine equipment	18,187,500	99,443,659			117,631,159
Office equipment, furniture and fittings			-----	-----	1,708,750
Motor Vehicle			-----	-----	8,051,038
ICT Equipment,			-----	-----	4,976,181
Other Machinery and Equipment	-----	-----	-----	-----	-----
Heritage and cultural assets	-----	-----	-----	-----	-----
Biological assets	-----	-----	-----	-----	-----
Infrastructure assets roads, rails	-----	-----	-----	-----	-----
Intangible assets	-----	-----	-----	-----	-----
Work in Progress	-----	-----	-----	-----	-----
Total	152,873,845	174,665,608	-----	-----	342,275,422

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

ANNEX 4 CONTINGENT LIABILITIES REGISTER

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1	-----	-----	-----	-----	-----	-----
2	-----	-----	-----	-----	-----	-----
3	-----	-----	-----	-----	-----	-----
4	-----	-----	-----	-----	-----	-----
5	-----	-----	-----	-----	-----	-----
6	-----	-----	-----	-----	-----	-----
7	-----	-----	-----	-----	-----	-----
8	-----	-----	-----	-----	-----	-----
9	-----	-----	-----	-----	-----	-----
10	-----	-----	-----	-----	-----	-----
11	-----	-----	-----	-----	-----	-----
12	-----	-----	-----	-----	-----	-----

9. APPENDIX 1

BANK RECONCILIATION STATEMENT AS ON 30 JUNE 2024 – LOCAL ACCOUNT

Balance as per cash book		3,095,400.86
Add Unpresented cheques	000667	377,261.00
	000669	17,900.00
	000670	10,417.00
	000670	10,417.00
	000671	33,058.00
	000672	181,013.00
Overstatement of bank charges	<u>121.18</u>	<u>630,187.18</u>
		3,725,588.04
Balance as per Bank statement		<u>3,725,588.04</u>

Prepared by: Ms Linda Kajuju, Accounts Assistant  Date: 03/07/2024

Approved by: CPA Clarkson Bolo, Financial Controller  Date: 03/07/2024

10. APPENDIX 2

KENYA COAST NATIONAL POLYTECHNIC

The analysis of Development Savings Fund A/C No.1104913992 For Kshs 114,413,639.45 at Kenya Commercial Bank

	Kshs
1. EASTRIP Retention Fund	14,345,995
2. Mentored Institution Funds	31,400,107
3. KCNP Retention Funds	14,034,990
4. Provision for retirement Fund	37,500,000
5. KCNP Development Fund	<u>17,132,547</u>
TOTAL	<u>114,413,639</u>

Prepared by: CPA Clerkson Bolo
Financial Controller

Signature:  Date: 03/07/2024

1218 CA 41 BRANCHES
CERTIFICATE OF BALANCE

KCB Bank Limited
(Incorporated in Kenya)

CERT2423000009

KCB TREASURY SQUARE
.....

17 AUG 2024
.....

Certified that the balance at the CREDIT Of MSA TECH TRAINING
INST CAP DE FUND
.....

A/C 1104913992
.....

at the close of business on 30 JUN 2024 Was KES
.....

ONE HUNDRED AND FOURTEEN MILLION FOUR HUNDRED AND THIRTEEN THOUSAND SIX
HUNDRED AND THIRTY NINE CENTS FORTY FIVE
.....
.....

KES 114,413,639.45
.....

Examined by
.....

For: KCB BANK KENYA LTD.

[Signature]
Manager, Customer Service
Treasury Square, Nairobi

Manager Service Quality & Compliance Branch Manager

For: KCB BANK KENYA LTD.

[Signature]
Corporate Service Manager
Treasury Square

ACCOUNT STATEMENT

Customer:
Account: 1104913992 MSA TECH TRAINING INST CAP DE FUND
Product Name: Learning Institutions
Statement Period: 01 NOV 2023

TXN DATE	DESCRIPTION	VALUE DATE	MONEY OUT	MONEY IN	LEDGER BALANCE
01 NOV 2023	BALANCE B/FWD	01 NOV 2023			84,751,819.45
09 NOV 2023	New Fixed Deposit MM23 3135G2V8	09 NOV 2023	-80,000,000.00		4,751,819.45
24 NOV 2023	Inward SWIFT Pa KENYA COAST NAT MOMBASA KENYA MO	24 NOV 2023		14,345,995.00	19,097,814.45
30 NOV 2023	Tax Amount Due 1104913992 1104913992.LEDG ERFEE	01 DEC 2023	-52.5		19,097,761.95
30 NOV 2023	Ledger Fees 1104913992 1104913992.LEDGERFE E KE00	01 DEC 2023	-350		19,097,411.95
31 DEC 2023	Tax Amount Due 1104913992 1104913992.LEDG ERFEE	01 JAN 2024	-70		19,097,341.95
31 DEC 2023	Ledger Fees 1104913992 1104913992.LEDGERFE E KE00	01 JAN 2024	-350		19,096,991.95
09 JAN 2024	Repayment of Principal M233135G2V8;4	09 JAN 2024		80,000,000.00	99,096,991.95
09 JAN 2024	Payment of Interest MM2 33135G2V8;5	09 JAN 2024		1,477,369.85	100,574,361.80
			=====	=====	=====
	BALANCE AT PERIOD END:		-80,000,822.50	95,823,364.85	100,574,361.80

BOARD OF SURVEY ON CASH AND BANK BALANCES

1. Name of the Institution **KENYA COAST NATIONAL POLYTECHNIC(EASTRIP)**
2. We, undersigned have today **2ND JULY, 2024** at the Polytechnic carried out a survey on the cash and bank balances of the Polytechnic account as at the of business on **30TH JUNE, 2024** and the report is as follows:

CASH COUNT

a. Physical count

Name of the cashier: Linda Kajuju. Designation: Accounts Assistant Signature: 

Officer cashier reports to: Mr. Clerkson O Bolo Designation: Financial Controller

Date of Cash Survey 07/07/2024


Particulars		Kshs	Cts
Kshs 1,000	X 11 ✓	11,000 ✓	00 ✓
Kshs 500	X 65 ✓	32,500 ✓	00 ✓
Kshs 200	X 2 ✓	400 ✓	00 ✓
Kshs 100	X	-----	----
Kshs 50	X 1 ✓	50 ✓	00 ✓
Kshs 40	X		----
Kshs 20	X 1 ✓	20 ✓	00 ✓
Kshs 10	X 1 ✓	10 ✓	00 ✓
Kshs 5	X		
Kshs 1	X 4 ✓	4 ✓	00 ✓
50cts	X		
Total money:		43,984	00
Plus:*			
Cheques			00
Unrecorded expenses			00
Money orders, postal orders and postage stamps		-----	----
Other		-----	----
Total:		43,984	00

OFFICE OF THE AUDITOR GENERAL

Bank balances as per cash book	Ksh	Cts
At Equity bank		
1. KCNP(EASTRIP Project) 0250279469130	3,095,400	86
TOTAL	3,095,400	86

Certificate of person in control of cash:

I agree with the cash count as set out above. All the cash and cash equivalents were counted by me/in my presence and handed back to me in full. There are no other funds in my possession for which I am accountable / responsible.


Signed

3/7/2024
Date

Financial Controller

b Analysis of miscellaneous cash items

(i) Particulars of cheques included in cash count

Name of drawer	Receipt No.	Date received	Amount
			N/A
			N/A
			N/A
Total Kshs			N/A

(ii) Particulars of unrecorded expenditure

Paid to	Reason	Date	Amount
			N/A

OFFICE OF THE AUDITOR GENERAL

			N/A
			N/A
Total Kshs			

(iii) Particulars of face value forms included in cash count

Type of form	No. from	No. to	Amount
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
Total Kshs			N/A

(iv) Particulars of other funds included in count

Particulars	Amount
N/A	N/A
N/A	N/A
Total Kshs	
	N/A

3. Reconciliation of theoretical and actual cash on hand

	Kshs	cts
Theoretical cash		
Balance per cash book		
Cash advance		
Cash receipts not banked **	43,984	00
Unrecorded cash receipts **	-----	---
Other (specify) **	-----	---
	-----	---
Total of theoretical cash	43,984	00

OFFICE OF THE AUDITOR GENERAL

Total of actual cash (see point 1 above)		
Difference	43,984	00
Reason for difference:		
Adjusting action:	N/A	

Give full particulars of these items with specific reference to receipt numbers of the last cash receipt banked and last receipt number recorded. Full particulars of any other funds taken into account with the reconciliation must be furnished.

MARY M MUTUKA

Signature and Name of
Accounting Officer

3/7/24

Date

Cherison Bolo

Signature and Name of
Financial Controller

3/7/2024

Date

WITNESS

ISAAC MAKAU

Isaac Makau

03/07/24

