

REPUBLIC OF KENYA



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REPORT

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THE AUDITOR-GENERAL

ON

**EASTERN AFRICA REGIONAL TRANSPORT,
TRADE AND DEVELOPMENT FACILITATION
PROJECT (IDA CREDIT NO.5638-KE)**

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

KENYA REVENUE AUTHORITY

DATE: 07 DEC 2023

THRS
Hon Owen Baya, CS, MP
Deputy majority leader
A. Shubuto



KENYA REVENUE AUTHORITY

**EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT
FACILITATION PROJECT**

PROJECT GRANT/CREDIT NUMBER. 5638-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. ACRONYMS AND GLOSSARY OF TERMS

KRA	Kenya Revenue Authority
NRA	National Revenue Authority
MOU	Memorandum of Understanding
ICT	Information and communication technology
KENHA	Kenya National Highway Authority
RECTS	Regional Electronic Cargo Tracking System
RRU	Rapid Response Unit
SOPs	Standard Operating Procedures
EAC	East Africa Community
GOK	Government of Kenya
NLC	National Lands Commission
UON	University of Nairobi

2. PROJECT INFORMATION AND OVERALL PERFORMANCE

2.1 Name and registered office

Name: Eastern Africa Regional Transport, Trade & Development Facilitation Project.

Objective:

The key objective of the project is to improve the movement of goods and people along Lokichar – Nadapal/Nakodok part of the Eldoret - Nadapal road in the north – western part of Kenya and to enhance connectivity between Kenya and South Sudan.

Address: Times Towers Building, Nairobi County, Kenya.

Registered office:

Times Tower Building,
Haile Selassie Avenue,
P.O Box 48240-00100,
Nairobi, Kenya.

Contacts:

Telephone: (254) 020-310900, 2810000, 315553
E-mail: callcenter@kra.go.ke, cic@kra.go.ke
Website: www.kra.go.ke

2.2 Project Information

Project Start Date:	20 th July 2015
Project End Date:	31 st December 2023
Project Manager:	Mr. Kenneth Mbobua (Chief Manager)
Project Accountant	CPA. Josephat Omondi (DC- Finance)
Project Coordinator:	Lilian Nyawanda (Commissioner of Customs & Borders Control)
Project Sponsor:	Mr. Humphrey Wattanga (Commissioner General)

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the National Treasury
Project number	5638 -KE
Strategic goals of the project	<p>The strategic goals of the project are Facilitation of Regional Transport, Trade and Development which includes: -</p> <ul style="list-style-type: none"> (i) Harmonisation of Customs and other border management, risk management and control procedures. (ii) Strengthening of the cross-border management unit of KRA including enhancing its coordination with other border agencies. (iii) Support the implementation of an integrated border management system. (iv) Support Implementation of the Memorandum of Understanding (MOU) between Kenya Customs and South Sudan Customs Services relative to information exchange and use of common procedures (v) Support the use of information and communication technology (ICT) for revenue collection and for facilitating clearance and release of goods to help Kenya Customs comply with new transparency requirement of e-citizen registration, electronic collection of revenue and e-reporting of clearances and release of goods. (vi) Design construction and supervision of the construction of offices at selected locations along the Eldoret-Nadapal/Nakodok road corridor to house rapid response unit of KRA to monitor international trade. (vii) Support the implementation of the regional cargo monitoring for goods under customs control (viii) Training of KRA staff (ix) Incremental Operating costs
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> (i) Harmonisation of Customs and other border management, risk management and control procedures. This component has been achieved. South Sudan is now a Member of East African Community and has adopted the EAC trade facilitation instruments including One Stop Border Post Act and East Africa Customs Management Act. (ii) Strengthening of the cross border management units and enhancement of coordination with other border agencies.

	<p>The Authority has already procured enforcement equipments including motor vehicles which are currently undertaking patrol and surveillance activities within the corridors</p> <p>(iii) Support the implementation of an integrated border management system. KRA has adopted a multi-agency operation at the border to facilitate coordinated border management on the Kenya Side. Joint Operations with Sudan will commence once the MoU is signed.</p> <p>(iv) Support Implementation of the Memorandum of Understanding (MOU) between Kenya Customs and South Sudan Customs Services relative to information exchange and use of common procedures. Discussion of the MOU are ongoing. So far substantial milestone have been achieved just awaiting approval with Ministry of Foreign Affairs.</p> <p>(v) Support use of ICT for revenue collection and for facilitating clearance and release of goods As a member of East Africa Community, South Sudan clear their cargo at the first Point of entry, which is Mombasa Port. To facilitate faster clearance of cargo and release of goods, KRA has already completed and commissioned a Kilindini Fibre upgrade at the port.</p> <p>(vi) Design construction and supervision of the construction of offices at selected locations along the Eldoret-Nadapal/Nakodok road corridor to house rapid response unit of KRA to monitor international trade. KRA procured a design & supervision consultant, undertook public participation as at Turkana County and was allocated 60 acres of land for construction of RRU.</p> <p>(vii) Support the implementation of the regional cargo monitoring for goods under customs control. KRA has engaged KENHA to leverage on their technology, discussions ongoing.</p> <p>(viii) Training of KRA staff. KRA has trained a total of 1,014 Staff from inception of this Project to date. The Authority has trained officers in One Stop Border Post Operations, Customs refresher and Project Management. This has enhanced staff capacity in trade facilitation and Project Management.</p>
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<p>Other important background information of the project</p>	<p>The project contributes to the overarching objective of the Eastern Africa Regional Transport, Trade and Development Facilitation Program of “enhancing connectivity of South Sudan with its Eastern Africa neighbouring countries, and its access to sea ports” through a sequential improvement in physical and institutional infrastructure, in addition to promoting trade and development facilitation interventions on the Juba- Nadapal – Eldoret development corridor. The overall program is being implemented in a series of three projects (SOPs).</p> <p>The first project of the program (Phase 1) focused on South Sudan, was approved in May 2014. It supports the improvement of part of the Juba-Nadapal/Nakodok road in the territory of South Sudan, and implementation of trade and development facilitation measures, including a new fiber optic link (This was suspended). This second project (Phase 2) is focusing on the improvement of road and ICT infrastructure, implementation of trade and development facilitation, including facilitating the development of export processing zones, pastoralist road side markets, and service centres (rest stops) in Kenyan territory. The third project (Phase 3) expected to cover Kenya and South Sudan will focus on enhancing support to trade facilitation measures along the Juba-Nadapal-Eldoret corridor and completing the upgrading of the Juba-Eldoret road. The overall program in the long-term envisages promoting the entire EAC Corridor No.3, including Kitale to Biharamulo (the extension of Juba- Nadapal-Eldoret road) as a development corridor by upgrading the section of the road from Kitale to Biharamulo into a safe and digital road, as well as replicating the trade and development facilitation interventions adopted for the Juba-Eldoret corridor.</p>
<p>Current situation that the project was formed to intervene</p>	<p>The situation at the border crossing of Nadapal/Nakodok is characterized by lack of interagency co-operation, no structured sharing of information, no co-ordination in operating hours between agencies on the same and opposite sides of the border, insufficient parking space, no ICT connectivity, and lack of coverage and necessary equipment for physical inspections. The customs process is manual, as there is no power and human resource to run electronic based system, however modern customs procedures and systems are not yet adopted. Average crossing times for imports into South Sudan is 24 hours, but with a significant standard deviation</p>
<p>Project duration</p>	<p>The project started on 20th July 2015, was initially expected to run until 31 December 2021, however due to delay in implementation of most activities affected by the Covid 19 pandemic, an extension was granted until 31st December 2023</p>

2.4 Bankers

National Bank of Kenya Limited,
Harambee Avenue Branch,
P.O. Box 41862-00100 Nairobi, Kenya

2.5 Independent Auditor

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

2.6 Roles and Responsibilities

List of the Project management team who worked on the project in the financial year ended 2022/23 are as stated below. This included a project team leader and all the key stakeholders as stipulated in the Finance Agreement and these were the team involved in the project. Below stated also are their positions, qualification and roles to the project.

Names	Title designation	Key qualification	Responsibilities
Kenneth Mbobua	Chief Manager	Bachelor of Science - information Technology	Team Leader
Daniel Wambua	Manager	MBA, Strategic Management	Technical Officer
Christine Maangi	Assistant Manager	MSc (Human Resource Management), MA (Project Planning Management), PGD (Human Resource Management) BA (Gender & Development)	Training Specialist
Jacqueline Osango	Manager	CPA(K), MBA (Finance)	Project Accountant
George Ouya	Supervisor	CPA	Project Accountant
Benson Kiruja	Chief Manager	MBA (Supply Chain Management), Chartered Institute of Procurement and Supply, UK,	Procurement Manager

Miriam Musyimi	Assistant Manager	MBA (Strategic Management), CIPS, BA (Purchasing & Supply Chain Management)	Procurement Officer
Ruth Rugwe	Assistant Manager	MA, Economics	Monitoring and Evaluation
Elias Mirigi	Assistant Manager	Master of Science in IT	ICT Specialist
Samwel Ribiro	Assistant Manager	Master of Science in Data Communications	Security Specialist
Maximilla Anyang'o	Manager	M.A Communication	Diplomacy, marketing and communications
Charles Anino	Officer	BTECH Civil Engineering	Facilities and Logistics specialist
Ferdinand Amaumo	Assistant Manager	B.A Economics / Maths CPA(K)	Technical Officer
Christine Ilahalwa	Supervisor	MA-International Business Management	Social Safeguards Specialist
Charles Muriithi	Assistant Manager	MA (Economics), BA (Economics)	Technical Officer
Esther Adhiambo	Officer	Bachelor of Technology Information Studies.	Secretariat

2.7 Funding summary

The Project was initially for duration of six years from 2015 to completion date December 2021. In January 2022 the project was restructured through an amended Finance agreement extending the completion date to December 2023 and increasing the approved funding from US\$8 million equivalent to KShs 806 million to US\$ 10.9 million equivalent to KShs 1,532 million (converted at Kshs 140.5235 as at 30th June 2023) as highlighted in the table below:

Below is the funding summary:

PROJECT INFORMATION AND OVERALL PERFORMANCE

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date (30th June 2023)		Undrawn balance to date (30th June 2023)	
	USD '000'	KShs '000'	USD '000'	KShs '000'	USD '000'	KShs '000'
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
International Development Association (IDA)	10,180	1,430,529	4,599	521,587	5,581	908,942
(ii) Counterpart funds						
Government of Kenya	720	101,177	-	-	720	101,177
Total	10,900	1,531,706	4,599	521,587	6,301	1,010,119

B. Application of Funds

Source of funds	Amount received to date (30th June 2023)		Cumulative Amount paid to date (30th June 2023)		Unutilised balance to date – (30th June 2023)	
	USD '000'	KShs '000'	USD '000'	KShs '000'	USD '000'	KShs '000'
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
International Development Association (IDA)	4,599	521,587	3,258	457,849	1,341	63,738
(ii) Counterpart funds						
Government of Kenya	-	-	-	-	-	-
Total	4,599	521,587	3,258	457,849	1,341	63,738

2.8 Summary of Overall Project Performance:

The project performance to 30th June 2023 is 78% on current year's budget spend

The cumulative project performance on budget and commitments from inception to date is 63% of the undisbursed funds (converted at Kshs 140.5235 as at 30th June 2023). The project completion status on activities is at 80%.

The main activity planned is Construction of Rapid Response Units, the contract was signed in June 2023 and utilisation of the substantial remaining budget of Kshs 565M (USD 4.04M) is scheduled to begin Quarter 1 of FY 2023/24.

Project performance FY 2022/23					
Period	Budget "Kshs"	Budget spend & commitments "Kshs"		Budget spend & commitments %	Comple tion status %
Current year	190,000,000	Paid	147,505,680	78%	78%
Cumulative	1,531,706,000	Paid	457,850,740	63%	80%
		Committed	503,410,320		
		Total	961,261,060		

The status of implementation is as follows;

1) **Support for ICT to ensure revenue collection and facilitate clearance and release of goods- Kilindini Fibre Connectivity**

The ICT component had two lots:

- Lot 1 involves a project to upgrade the for Fiber Optic Based Metropolitan Area Network (MAN) and Local Area Networks (LANs) In Kilindini Port.
- Lot 2 involves Network Management and Traffic Shaping Solution at KRA Data Centre in Nairobi.

Both Lot 1 and Lot 2 have been fully implemented and commissioned for use.

Project Lot 1	Fiber Optic Based Metropolitan Area Network (MAN) and Local Area Networks (LANs) in Kilindini Port
Contractor	Top Choice Surveillance Limited
Contract Type	Works and Installation of Equipment
Commencement Date	31/12/2019
Completed & Commissioned	100% complete and commissioned on 07/07/2021
Contract amount:	Kshs. 175,084,037
Payments	a) Amount certified: Kshs. 160,186,016

	b) Amount paid: Kshs. 160,186,016
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Project Lot 2	Network Management and Traffic Shaping Solution at KRA Data Centre in Nairobi
Contractor	Next Technologies Ltd
Contract Type	Works and Installation of Equipment
Commencement Date	01/12/2019
Completed & Commissioned	100% complete and commissioned on 07/07/2021
Contract amount:	USD. 457,649.68 (Kshs 49,602,312.45)
Payments	a) Amount certified: USD 457,649.68 (Kshs 49,602,312.45) b) Amount paid: USD 457,649.68 (Kshs 49,602,312.45)

2) Systems to facilitate implementation of regional cargo monitoring for goods under customs control

	Systems to Facilitate Implementation of Regional Cargo Monitoring
1. Contractor	Pending
2. Contract Type	Works (and Services)
3. Commencement Date	Pending
4. Expected Completion Date	Dec 2023
5. Budget amount:	USD. 500,000 (Kshs 70,261,750)
6. Progress Status	-KRA has been engaging KENHA on how to leverage on their systems to install cargo-monitoring system. - Implementation of a new KRA's system involves detailed site survey in the various respective sites, procurement of contractors and construction and integration of the system into KRA already existing RECTS. -KRA reallocated funds for this activity to Construction of RRU activity because of the limited period remaining to completion of the project. They notified World Bank for their information.
7. Payments	Nil

3) Supply and delivery of furniture and office equipment for Nadapal Patrol Base and Lokichogio, Lodwar, Lokichar and Kainuk Rapid Response Units (RRUs)

	Furniture and Office Equipment
1. Contractor	Pending
2. Contract Type	Goods

3.	Commencement Date	Pending
4.	Expected Completion Date	December 2023
5.	Budget amount:	USD. 520,000 (Kshs 73,072,220)
6.	Progress Status	-As per the restructured finance agreement this activity will be financed by counterpart (GOK) funding. - KRA has prepared the user requirements for furniture and office equipment. -KRA was allocated Kshs 40Million of the Counterpart budget in the supplementary budget FY 2022/23 in March 2023. Kshs 30Million for procurement of Furniture and 10Million to be used for Operating expenses. -Procurement of furniture and office equipment has began expected to be completed, delivered and paid by July 2023.
7.	Payments	Nil
8.	Issue	Issue: -Requested for the GOK funds from National Treasury. Funds yet to be disbursed.

4) Consultancy for design, Bills of Quantities (BQs), Environmental Impact Assessment (EIA), Evaluation of bids and supervision of works for Nadapal Patrol Base and Rapid Response Unit (RRUs) Offices

		Consultancy for design of RRUs Offices
1.	Contractor	University of Nairobi
2.	Contract Type	Consultancy
3.	Commencement Date	February 2022
4.	Expected Completion Date	December 2023
5.	Budget amount:	USD. 600,000 (Kshs 84,314,100)
6.	Contract Amount	Kshs. 20,574,134.69
7.	Progress Status	KRA has progressed payment of Kshs.6,458,407.13 for the following reports from the Consultant: a) Inception Report (D1) b) Needs Assessment Reports (D2) c) Conceptual/Schematic Designs Report (D3) d) Detailed design report (D4) e) Bills of Quantities and bidding documents (D5) f) EIA Report (D6) This marks the completion of phase I of the contract.

		Next Phase is the Supervision of works , expected to kick off FY 2023/24 for a period of 6 months.
8	Payment	a) Amount certified: Kshs. 6,458,407.13 b) Amount paid: Kshs. Kshs. 6,458,407.13 c) Unbilled Amt Kshs. 14,115,727.56

5) Support to Implementation of MoU between Kenya and South Sudan and quality control and Harmonisation of Border Procedures

This activity includes two components:

- a) Support to the implementation of the memorandum of understanding between Kenya Customs and South Sudan Customs; and
- b) Services capacity building (Quality and harmonization of border procedures).

		a) MOU between Kenya and South Sudan
1.	Contractor	Pending
2.	Contract Type	Works
3.	Commencement Date	Reallocated to another activity
4.	Budget amount:	USD. 600,000 (Kshs 84,314,100)
5.	Progress Status	The draft MoU has now received all approvals; the Office of the Attorney General, The National Treasury and latest the Ministry of Foreign Affairs (MoFA). Sign off expected in the 1 st quarter of FY 2023/24. -KRA has already forwarded to World Bank for No objection approval, a proposal of Kshs. 10,000,000 of the engagements it intent to undertake in Qrt 1 FY 2023/24 between NRA and KRA. KRA awaits the World Bank No Objection approval. -KRA reallocated the savings from the remaining budget for this activity to Construction of RRU activity, which requires more funds from what was budgeted for. They have communicated the same to World Bank.
6.	Payments	Nil

6) Capacity Building Training & Stakeholder Engagement

		b) Capacity Building Training
1.	Contractor	Various
2.	Contract Type	Training
3.	Commencement Date	2019
4.	Expected Completion Date	December 2023
5.	Budget amount:	USD.1,700,000 (238,889,950)
6.	Progress Status	The status of implementation from Inception to date is as follows:

		<p>a) A total of 1,003 KRA staff trained on different professional courses from inception to end of FY 2022/23.</p> <p>b) Project Implementation Team (PIT) Members trained on different professional courses from inception to end of FY 2022/23.</p> <p>c) KRA received No objection from World Bank for its Annual Training Plan for FY 2022/23 of Kshs 90,376,059 and we are in the process of implementation. We completed and paid trainings of total cost of Kshs 21,265,516.75 as at end June 2023.</p> <p>d) Due to delay in receiving World bank No objection the trainings of remaining revenue staff were rescheduled to be rolled out Qrt 1 FY 2023/24.</p>
7.	Payments	<p>a) Total No Objection approved FY 2022/23: Kshs 90,376,059</p> <p>b) Total training completed & paid as at 30th June 2023 Kshs 42,790,278.34</p> <p>c) Budget to be utilised FY 2023/24: Kshs. 47,585,780.66</p>

7) Provision of Enforcement Equipment

		Enforcement Equipment
1.	Contractor	Biometrics Technology Ltd
2.	Contract Type	Goods
3.	Commencement Date	29 th July 2022
4.	Expected Completion Date	June 2023
5.	Budget amount:	USD. 715,000 (Kshs 100,474,302.50)
6.	Progress Status	<p>-Tender awarded in June 2022 and contract of USD 315,794 (Kshs 44,376,478.16) signed on 29th July 2022.</p> <p>-Delivery delayed 3 out of the 4 equipment delivered in June 2023:</p> <p>a) Fibre scope (did not pass the inspection)- value USD 2,524 (Kshs 354,681.31)</p> <p>c) Walk through metal detector -value USD. 19,523 (Kshs 2,743,440.29)</p> <p>d) Cargo inspection probe kit –value USD 160,745 Kshs 22,588,450)</p> <p>e) The portable handheld cargo scanners - value USD 133,007 (Kshs 18,690,609.16)</p> <p>Payments to be made Qrt 1 FY 2023/24</p> <p>2) The Lot 2 of enforcement equipment:</p> <p>a) Laptops for the project - value Kshs.10,800,000</p> <p>b) Projection screens- value Kshs. 2,550,000</p>

		- World Bank no objection approval received and procurement process completed in June 2023. -Delivery and payment scheduled to be completed in Qrt 1 FY 2023/24
7.	Payments	Nil

8) Construction and rehabilitation works for Nadapal Patrol Base and Lokichogio, Lodwar, Lokichar and Kainuk Rapid Response Units (RRUs)

		Construction and rehabilitation works
1.	Contractor	Pending
2.	Contract Type	Works
3.	Commencement Date	Pending
4.	Original Completion Date	December 2023
5.	Budget amount:	USD. 3,280,000 (Kshs 460,917,080)
6.	Progress Status	<p>This activity has progressed as per the following milestones:</p> <p>1) KRA acquired 60 acres of land from Turkana Community in Lodwar, Kainuk and Kakuma (20 acres each) through public participation in the March –April 2022.</p> <p>2) KRA has written to the Director General of National Lands commission for issuance of land ownership documents. The Site survey has been done and the report is currently under review before submission to NLC & Ministry of Lands.</p> <p>3) The consultant has already submitted the inception report, needs assessment and designs reports and already prepared work plan for construction & rehabilitation.</p> <p>4) KRA tendered for a contractor for the construction of Rapid Response Units in Kainuk, Kakuma and Lodwar. Evaluations were done and One contractor qualified for all the 3 lots and has been awarded.</p> <p>KRA and contractor are in the process of finalizing the sign off.</p> <p>Works to kick off in July 2023.</p> <p>Contract amount: Kshs. 565m</p> <p>-KRA reallocated funds from activities completed with savings in their budget or those not likely to be done by end June 2023 to Construction of RRU activity which</p>

		requires an approximate budget of USD 5Million which is more than what was budgeted for .
7.	Payments	Nil
8.	Issue/challenge to report and Mitigation	Issue: The acquisition of land ownership documents has been delayed due to many processes and bureaucracies by both the National and County Government Mitigation: KRA is currently following up with NLC and Turkana County Government for Land ownership documents

9) Supply and delivery of patrol motor vehicles & motor cycles and a fork lift.

Patrol Motor Vehicles and Fork Lift		
1.	Contractor / Supplier	Crown Motor Groups , Isuzu E.A, Achelis Material Handling LTD
2.	Contract Type	Goods
3.	Commencement Date	12.11.2021 , 11.11.2021 & 25.11.2021
	Completed & Commissioned	100% complete
4.	Budget amount:	Kshs. 73,052,154 & USD. 99,235 (Kshs 12,582,936.94)
5.	Progress Status	Implementation status: 100% We have already purchased & paid:- -4 units Hard Top 4x4 Station Wagons -5 Heavy Duty 4x4 Specialized Double Cabin unit -1-unit Forklift Truck.
6.	Payments	a) Amount paid: Kshs. 73,052,154 & USD 99,253(Kshs 12,582,936.94)

10) Incremental Operating Costs.

Incremental Operating Costs		
	Contract Type	Services
	Expected Completion Date	December 2023
	Allocated amount:	USD. 200,000 (Kshs 28,104,700)
	/Progress Status	-We have compiled the schedule of expenses for other operating costs that is to be funded under Counterpart (GOK) -KRA was allocated Kshs 40Million of the Counterpart budget in the supplementary budget FY 2022/23 in March

	2023. Kshs 30Million for procurement of Furniture and 10Million to be used for Operating expenses. -This will be utilised on supervision of the construction when construction begins.
Payments	Bank Charges and FX costs and other supervision and commissioning costs

2.9 Summary of Project Compliance:

The project complied with the applicable laws, regulations and financing agreement. The project also prepared the financial year ended 30th June 2023 as per the required template as recommended in the Prior year audit.

3. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

Introduction

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

The key objective of the project is to improve the movement of goods and people along Lokichar – Nadapal/Nakodok part of the Eldoret - Nadapal road in the north – western part of Kenya, in particular and enhance connectivity between Kenya and South Sudan, in general.

Kenya Revenue Authority the Implementing Agency under National Treasury is currently executing the project under the below key objectives

The key development objectives of the project's 2015-2023 plan are:

- i) Harmonisation of Customs and other border management, risk management and control procedures.
- ii) Strengthening of the cross-border management unit of KRA including enhancing its coordination with other border agencies.
- iii) Support the implementation of an integrated border management system.
- iv) Support the implementation of the Memorandum of Understanding (MOU) between Kenya Customs and South Sudan Customs Services relative to information exchange and use of common procedures.
- v) Support the use of information and communication technology (ICT) for revenue collection and for facilitating clearance and release of goods to help Kenya Customs comply with new transparency requirement of e-citizen registration, electronic collection of revenue and e-reporting of clearances and release of goods.
- vi) Design construction and supervision of the construction of offices at selected locations along the Eldoret-Nadapal/Nakodok road corridor to house rapid response unit of KRA to monitor international trade.
- vii) Support the implementation of the regional cargo monitoring for goods under customs control
- viii) Training of KRA staff
- ix) Incremental Operating costs

During the year under review, the Authority undertook the following activities:

- 1) Supply and delivery of Forklift under contract KE-KRA-182901-GO-RFB.
- 2) Supply and delivery of assorted enforcement equipment under contract KE-KRA-182903-GO-RFB.
- 3) Received designs and bill of quantity reports for construction and paid this milestone under contract of KE-KRA-182803-CS-CDS.
- 4) Tendered and Contractor signed the contract of construction of RRU (KE-KRA-182803-CS-CDS) on 29th June 2023. Implementation to begin Qrt 1 FY 2023/24.
- 5) The ATP (Annual Training Plan) for FY 2022/23, trained various KRA officers & 9 Project Implementation Team (PIT) members on various professional courses as per the World Bank No Objection Approval. Implementation still in progress expected to be completed FY 2023/24.

However, the below challenges were experienced in the financial year while carrying out the project: -

- 1) There was delay in delivery of the enforcement equipment from the supplier who delivered equipment that were not meeting user's specification and had to be returned before delivering the correct ones.
- 2) There were delays in the approval process for concluding and signing the construction contract. The delay has resulted in the delays in beginning construction works and thus utilisation on the construction of RRU Activity and payment of the supervision of construction consultancy fee.
- 3) There were delays in getting World Bank No Objection Approval for the Annual Training Plan FY 2022/23 thus implementation of training for the revenue KRA staff rolled over to FY 2023/24.
- 4) There were delay in procurement of furniture due to delay in disbursement of GOK (counterpart funds). The funds were not disbursed by the National Treasury by 30th June 2023.

Progress on attainment of Strategic development objectives

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

Project	Objective	Outcome	Indicator	Performance
Eastern Africa Regional Transport, Trade & Development Facilitation	Harmonisation of Customs and other border management, risk management and control procedures.	Increased efficient clearance of people, goods and services	Clearance Times	Clearance of cargo at the border takes average 1 day

	Refurbishment, modification and Equipping of the Nakodok/Nadapal Border Post	Secure trade facilitation centre	Completed border post	Procurement of Consultancy complete
	Provision of Enforcement Equipment	Efficient and effective Prevention and detection of illicit trade	No. of Customs interceptions and compliance levels	Procurement of enforcement equipment has been contracted awaiting completion of delivery.
	Capacity Building of Staff	Trained officers	No. of officers trained	a) A total of 1,003 KRA staff trained on different professional courses from inception to end of FY 2022/23. b) Project Implementation Team (PIT) Members trained on different professional courses from inception to end of FY 2022/23
	Monitoring of goods under customs control	Increased revenue collection and trade facilitation	No. of consignments under customs control tracked to destination	KRA requested to have this activity to be implemented under Horn of Africa due to limited time.
	Use ICT for revenue collection and for facilitating clearance and release of goods	All documentation done electronically and seamless data exchange	% of declarations done online Seamless exchange of data	100% declarations in Kenya side done electronically. Seamless exchange of data requires implementation by South Sudan.

4. ENVIROMENTAL AND SUSTAINABILITY REPORTING

Introduction

The mandate of the EARTTDFP is to improve: (a) the movement of people and goods and digital connectivity and access to social services to communities at designated locations along the Kitale-Nadapal/Nakodok route; and (b) the capacity of selected transport related institutions in Kenya.

Sustainability Strategy And Profile

Kenya Revenue Authority's (KRA) vision is to be a globally trusted revenue agency facilitating tax and customs compliance. KRA seeks to be a good Corporate Citizen in all aspects of its operations and activities. To achieve Service Excellence, KRA has put measures in place to pursue excellence in service delivery through provision of various channels of service delivery including expansion of customer service points to ensure the services are easily available to the customers. To achieve this objective, KRA is implementing the following strategies:

1. Establish additional stations/satellite/service centres
2. service improvement – human interaction as well as technology
3. Offer a multi-channel service to enhance service accessibility to taxpayers.

The Roll of Customs and Border Control Department:

- a) Collect and Account for government revenue - contribution to exchequer revenue averages at 35% per annum.
- b) Trade Facilitation – Promote economic interests and development of trade through enhancement of trading activities and ease of doing business.
- c) National Security - through Enforcement of Prohibitions and Restrictions.
- d) Protection of Society – Domestic industry, health and safety of citizens.
- e) Compilation of Trade Statistics

Implementation of the EARTTDFP by KRA is in line with the mandate of KRA specifically of ensuring facilitation of trade in the Northern part of Kenya. This will be through the establishment of Rapid Response Units (RRU) offices and the rehabilitation of the Nadapal Customs Station. This is one of the World Trade Organisation's initiatives under the Trade Facilitation Agreement, which contains provisions for expediting the movement, release and clearance of goods, including goods in transit.

Other initiatives for KRA under the EARTTDFP include the institutional strengthening through capacity building of staff as well as through the procurement of enforcement equipment and motor vehicles for patrol and enforcement activities. KRA will also be signing a Memorandum of Understanding with South Sudan Customs Administration on areas of mutual cooperation. To ensure this will take place KRA will:

1. Be working with other government agencies; use the one government approach while addressing any matters pertaining to security, trade, environmental sustainability. For

instance, on land acquisition, KRA has worked closely with the National Lands Commission as well as the Turkana County Government for allocation of land. KRA has establish good working relations with KeNHA.

2. KRA will ensure that there is funding to sustain the assets acquired in the project.
3. KRA will ensure that trainings procured are in line with the corporate direction of the organisation.

1. Environmental performance

A number of statutes and regulations will guide the environmental considerations. These include:

- a) The EAC Customs Management Act 2004. The Act restricts the entry of restricted and prohibited goods into the country, as outlined in the Second and Third Schedules of the Act.
- b) Environmental Law – EMCA, 1999 a key consideration here is the restrictions the environmental law places on disposal of unwanted products and e-waste, a key challenge in light of the growing automation of KRA activities and its attempts to adhere to the e-waste disposal guidelines.
- c) Environmental Management and Coordination (Controlled Substances) Regulations, 2007 which regulates the production, trade and use of controlled substances and products.

Waste Disposal and destruction shall be undertaken by a NEMA approved disposal site. To minimise the environmental impact of the development KRA shall ensure that;

- (1) Combined deliveries where possible to minimise vehicular movements and emissions
- (2) Designated skips for specific materials i.e. rubble and plasterboard
- (3) Off-site recycling of demolition material

To control soil erosion and pollution KRA has ensured back filling and levelling of affected areas, rehabilitation of vegetative cover /landscaping and is employing construction best practice methods and implement erosions and sediment controls.

To reduce the loss of flora and fauna KRA has ensured that clearing is only for the areas affected by the project and shall ensure that implementation of landscaping scheme (where possible existing exotic trees/vegetation should be retained and the replacement of such be incorporated within the landscaping design.)

2. Employee welfare

The hiring process in KRA is governed by the KRA Human Resource Policies (1st July 2023) interpreted in line with Kenya Labour Laws and other relevant regulations and legislations/Acts, and KRA complies with the gender and disability mainstreaming policies. The policy is reviewed every three years and takes into account views from staff.

The policy takes into account the improvement of employees' productivity through the systematic development of knowledge, skills and attitudes including Industrial attachment to enable students/attachées acquire knowledge and skills in a professional work setting through application of learnt skills in a given institution and Internships to enables interns to experience on-the-job training. Additionally, KRA has a competitive reward system for its employees in terms of the remuneration including allowances and benefits.

The HR policy on (OSHA 2007) has set minimum health and safety standards that will promote a conducive working environment and integrate health and safety principles and practices into the Authority's business strategies. The policy applies to all employees in the Authority. The Authority is committed to promoting and maintaining high standards of health and safety for employees, customers and the general public, in an endeavour to improve the working conditions of its employees.

The following measures have been put in place to ensure health and safety for the workers during the construction of the RRU offices in Turkana County:

- Safety and health considerations were entrenched in the tender document.
 - The contractor to submit a health and safety plan for approval by the supervising engineer prior to signing of the contract.
 - Site hoarding should be done prior to project activities.
 - A certified health and safety officer must be employed and deployed at the site all the time.
 - Ensure a social safeguards specialist is on site at all times.
 - Install firefighting facilities during both the construction and operation phases.
 - Sensitize workers on fire safety during all project phases
 - First aid box to be kept on site as well as training on its use.
 - A daily health register should be maintained at the project site accounting for all employees and recording on safety moments and incidences;
 - Conduct fire drills to test preparedness of staff.
 - Emergency and response plan should be put in place and it should be implemented by the safety officer in charge;
 - Adequate signage should be erected on and around the project site;
- Provide right grade PPE depending on tasks being performed to avoid injuries and illness including working boots, overalls, helmets, goggles, earmuffs, masks, gloves etc.;

3. Market place practices-

1) Responsible Supply chain and supplier relations-

KRA conducts:

- a) Supplier appraisal to gauge Supplier performance and identify those that excel as well as those that require assistance to understand the procurement processes and then offers sensitizations to suppliers on regularly basis.
- b) Supplier engagements especially where there are stalemates
- c) Has MoU with some Banks for AGPO groups for LPO financing
- d) Post debriefing especially where tenders are none responsive or on the request of a vendor.
- e) Pre-bid to inform members what is expected for bidding
- f) Payment is within 60 days. For project contracts in other currencies, KRA engages National Treasury for allocation of budget in A&A.

2) Responsible ethical practices:-

- KRA ensures that all staff have to declare a conflict of interest e.g. in procurement evaluation, negotiations and must also declare gifts received associated to work.
- There exists a Corruption Pretension Committee
- Integrity assurance officers
- And KRA staff are sensitized on National Values and corruption prevention.

3) Regulatory impact assessment

KRA adheres to provisions of article 201 of the Constitution of Kenya by ensuring public participation and information sharing.

There are Stakeholder engagement structures in the authority

There also exists a Customer experience framework in the Authority

4. Community Engagements:-

KRA conducted public participation for the allocation of land by the community in 2022, where the community agreed to allocate KRA 60 acres of land at Kakuma, Kainuk and Lodwar.

KRA in the month of July 2023, conducted site hand over. This was an activity that involved the community, Consultant, Contractor, Government agencies in the region, County Government of Turkana as well as the KRA.

Contractor is also expected to be engaging the community through the Community Liaison Person on matters safety, employment, in case of any significant disruption expected

5. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Project Accountant, Project Coordinator and Project Sponsor for Eastern Africa Regional Transport, Trade & Development Facilitation 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, 2023. These responsibilities 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.

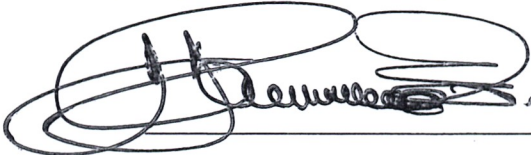
The Project Accountant, Project Coordinator and Project Sponsor for Eastern Africa Regional Transport, Trade & Development Facilitation Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Project Accountant, Project Coordinator and Project Sponsor for Eastern Africa Regional Transport, Trade & Development Facilitation 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, 2023, and of the Project's financial position as at that date. The Project Accountant, Project Coordinator and Project Sponsor for Eastern Africa Regional Transport, Trade & Development Facilitation 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 Accountant, Project Coordinator and Project Sponsor for Eastern Africa Regional Transport, Trade & Development Facilitation Project confirms 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 Project Accountant, Project Coordinator and Project Sponsor for the Eastern Africa Regional Transport, Trade & Development Facilitation on13/10/2023..... and signed on their behalf by.

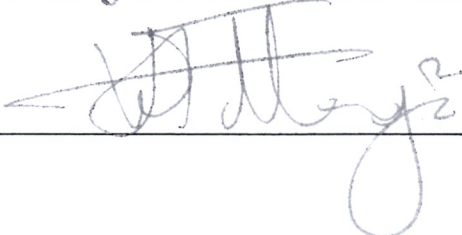
Josephat Omondi
Project
Accountant: ICPAK
Member No. 3473



Lilian Nyawanda
Project Coordinator

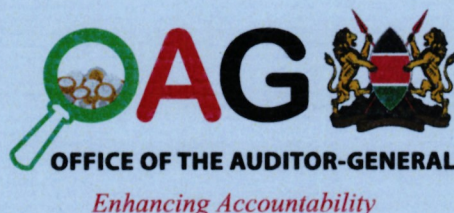


Mr. Humphrey Wattanga
Project Sponsor



REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON EASTERN AFRICA REGIONAL TRANSPORT, TRADE AND DEVELOPMENT FACILITATION PROJECT (IDA CREDIT NO.5638-KE) FOR THE YEAR ENDED 30 JUNE, 2023 – KENYA REVENUE 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 the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Eastern Africa Regional Transport, Trade and Development Facilitation Project set out on pages 1 to 28, which

Report of the Auditor-General on Eastern Africa Regional Transport, Trade and Development Facilitation Project (IDA Credit No.5638-KE) for the year ended 30 June, 2023 – Kenya Revenue Authority

comprise the statement of financial assets as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Eastern Africa Regional Transport, Trade and Development Facilitation Project, 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 Public Finance Management Act, 2012 and comply with the Financing Agreement Credit No.5638-KE between the Republic of Kenya and International Development Association dated 20 July, 2015 and as amended on 24 December, 2021.

In addition, the special account reconciliation statement presents fairly, the special account transactions and the closing balance has been reconciled with the books of account.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

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.190,000,000 and Kshs.204,880,000 respectively resulting to over-funding of Kshs.14,880,000 or 8% of the budget. Similarly, the Project spent a total of Kshs.147,506,000 against an approved budget of Kshs.190,000,000 resulting to an under-expenditure of Kshs.42,494,000 or 22% of the budget. Management attributed the under-expenditure to delay in allocation of land for construction of Rapid Response Units (RRU) offices.

Non-implementation of the planned activities may result in failure to achieve all the project planned deliverables by 31 December, 2023 being close date of the project as per the revised financing agreement.

2. Pending Bills

The financial statements at Annex 4.A disclose pending accounts payables of Kshs.12,459,000. Management indicated that the pending bills were occasioned by delayed submission of invoices by service providers. Failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal 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 International Development Association, 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and 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

26 October, 2023

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT

Annual Report and Financial Statements for the financial year ended June 30th 2023

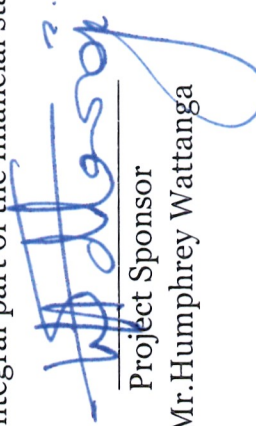
7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2023.

Description	Note	Receipts and payments controlled by the entity		Payments made by third parties		Total	Receipts and payment controlled by the entity		Payments made by third parties		Total	Cumulative to-date (From Inception)
		Period ended June 2023	Period ended June 2022	Period ended June 2023	Period ended June 2022		Period ended June 2023	Period ended June 2022				
		KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'
RECEIPTS												
Transfers from Government entities	1	-	-	-	-	-	-	-	-	-	-	-
Proceeds from domestic and foreign grants	2	133,088	71,793	204,880	58,216	88,272	146,488	521,587				
Loan from external development partners	3	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous receipts	4	-	-	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS		133,088	71,793	204,880	58,216	88,272	146,488	521,587				
PAYMENTS												
Compensation of employees	5	-	-	-	-	-	-	-	-	-	-	-
Purchase of goods and services	6	57,383	-	57,383	47,559	-	47,559	158,760				
Social security benefits	7	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-financial assets	8	18,330	71,793	90,123	6,582	88,272	94,854	299,088				
Transfers to other government entities	9	-	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		75,713	71,793	147,506	54,141	88,272	142,413	457,849				
SURPLUS/ (DEFICIT)		57,375	-	57,375	4,075	-	4,075	63,738				

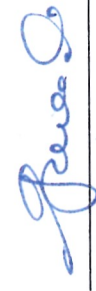
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



Project Accountant
CPA. Josephat Omondi
ICPAK Member No: 3473



Project Sponsor
Mr. Humphrey Wattanga

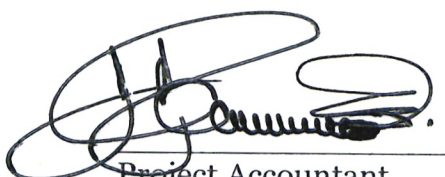


Project Coordinator
Lilian Nyawanda

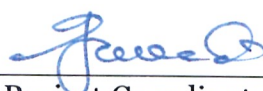
8. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2023

Description	Note	2022-2023	2021-2022
		KShs '000'	KShs '000'
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	11.A	63,738	6,363
Cash Balances	11.B	-	-
Cash Equivalent (Short-term deposits)	11.C	-	-
Total Cash and Cash Equivalents		63,738	6,363
Accounts receivables	12	-	-
TOTAL FINANCIAL ASSETS		63,738	6,363
FINANCIAL LIABILITIES			
Payables – Deposits and Retentions	13	-	-
NET ASSETS		63,738	6,363
REPRESENTED BY			
Fund balance b/fwd	14	6,363	2,288
Prior year adjustments	15	-	-
Surplus/(Deficit) for the period		57,375	4,075
NET FINANCIAL POSITION		63,738	6,363

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 13/10/2023 and signed by:



Project Accountant
 CPA. Josephat Omondi
 ICPAK Member Number: 3473



Project Coordinator
 Lilian Nyawanda

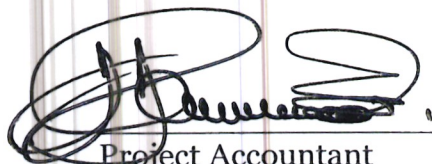


Project Sponsor
 Mr. Humphrey Wattanga

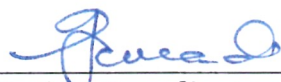
9. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2023

Description	Note	Period ended June 2023 KShs '000'	Period end June 202 KShs '000'
Receipts from operating activities			
Proceeds from domestic and foreign grants	2	204,880	146,488
Payments from operating activities			
Purchase of goods and services	6	(57,383)	(47,559)
Adjustments during the period			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	16		
Increase/(Decrease) in Accounts Payable: (deposits and retention)	17	-	-
Prior Year Adjustments	15	-	-
Net cash flow from operating activities		147,498	98,929
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets- (Capital Work In Progress)	8	(90,123)	(94,854)
Net cash flows from Investing Activities		(90,123)	(94,854)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	3	-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at 1st July	11	6,363	2,288
Cash and cash equivalent at 30th June	11	63,738	6,363

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 13/10/2023 and signed by:



Project Accountant
 CPA. Josephat Omondi
 ICPAK Member Number: 3473



Project Coordinator
 Lilian Nyawanda

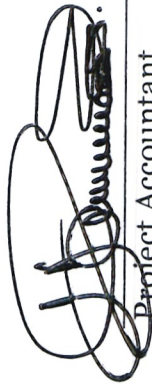


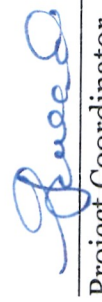
Project Sponsor
 Mr. Humphrey Wattanga

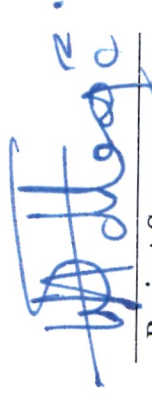
10. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023

Receipts/Payments Item	Original Budget a KShs '000'	Adjustments b KShs '000'	Final Budget c=a+b KShs '000'	Actual on Comparable Basis d KShs '000'	Budget Utilization Difference e=c-d KShs '000'	% of Utilization f=d/c % KShs '000'
Receipts						
Transfer from Government entities	0	40,000	40,000	0	40,000	0%
Proceeds from domestic and foreign grants	400,000	-250,000	150,000	204,880	-54,880	137%
Proceeds from borrowings	-	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-	-
Total Receipts	400,000	-210,000	190,000	204,880	-14,880	108%
Payments						
Purchase of goods and services						
a) Training Services Capacity Building	92,506	0	92,506	57,383	35,123	62%
b) Purchase of Furniture & Office Equipment	0	40,000	40,000	0	40,000	0%
Social security benefits	-	-	-	-	-	-
Acquisition of non-financial assets						
a) Purchase M. Vehicles & Forklifts	307,494	-250,000	57,494	90,123	-32,629	157%
b) Consult BQ's for RRU-						
Transfers to other government entities	-	-	-	-	-	-
Total Payments	400,000	-210,000	190,000	147,506	42,494	78%

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2h to these financial statements.


Project Accountant
CPA. Josephat Omondi
ICPAK Member Number: 3473


Project Coordinator
Lilian Nyawanda


Project Sponsor
Mr. Humphrey Wattanga

11. SIGNIFICANT ACCOUNTING POLICIES

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

a) 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.

b) Reporting entity

The financial statements for Eastern Africa Regional Transport, Trade & Development Facilitation Project under National Government of Kenya. The financial statements are for the reporting entity Eastern Africa Regional Transport, Trade & Development Facilitation Project as required by Section 81 of PFM Act 2012 .

c) 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.

d) Recognition of receipts

Eastern Africa Regional Transport, Trade & Development Facilitation 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 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.

ii) External Assistance

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

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 the time associated cash is received.

Significant Accounting Policies (Continued)

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 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.

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

e) 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 of employees

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

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 incurred 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

Significant Accounting Policies(Continued)

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.

f) 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.

g) 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 National Bank of Kenya 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.

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.

h) 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.

i) Imprest 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.

Significant Accounting Policies (Continued)

j) 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.

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

k) 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.

l) 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.

m) 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

Significant Accounting Policies (Continued)

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.

n) 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. and are disclosed in the payment to third parties' column in the statement of receipts and payments

o) 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 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.

p) 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 statements presentation.

q) 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, 2023.

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented *in note 15 of these financial statements*

12. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM GOVERNMENT ENTITIES

During the financial period to 30th June 2023, KRA was allocated 40 Million counterpart budget in the supplementary budget. Disbursement had not been received to our project account from National Treasury as at 30th June 2023

	2022/23	2023/24	Amounts received from invention KShs 000
	KShs 000	KShs 000	
Counterpart funding through Ministry			
Counterpart funds	-	-	-
	-	-	-
Other transfers from government entities			
Ministry	-	-	-
Appropriations-in-Aid	-	-	-
Total	-	-	-

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the financial period to 30th June 2023, KRA received Kshs 205 Million grants from donors (World Bank-International Development Agency) as detailed in the table below:

NOTES TO THE FINANCIAL STATEMENTS(continued)

Description	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment	Grants received in kind	Total	
						2022/23	2021/22
						KShs '000	KShs '000
Grants Received from Bilateral Donors (Foreign Governments)		-	-	-	-	-	-
Grants Received from Multilateral Donors (International Organizations)		-	-	-	-	-	-
International Development Agency (World Bank)	7 th July 2022, 14 th July 2022, 29 th Dec 2022, 17 th Jan 2023, 3 rd March 2023, 19 th April 2023, 26 th June 2023	1,051	133,088	71,793	-	204,880	146,488
Grants Received from Local Individuals and organizations		-	-	-	-	-	-
Total		1,051	133,088	71,793	-	204,880	146,488

3. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the financial period to 30th June 2023 no loan was received from development partners

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in KShs '000'	
					2022/23	2021/22
					USD '000'	KShs '000'
Loans Received from Bilateral Donors (Foreign Governments)		-	-	-	-	-
Loans Received from Multilateral Donors (International Organizations)		-	-	-	-	-
Total		-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS(continued)

4. MISCELLANEOUS RECEIPTS

During the financial period to 30th June 2023, no miscellaneous receipts were received.

Description	2022/23			2021/22	Cumulative to date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts		
	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Property income	-	-	-	-	-
Sales of goods and services	-	-	-	-	-
Administrative fees and charges	-	-	-	-	-
Fines, penalties and forfeitures	-	-	-	-	-
Voluntary transfers other than grants	-	-	-	-	-
Other receipts not classified elsewhere	-	-	-	-	-

5. COMPENSATION OF EMPLOYEES

During the financial period to 30th June 2023, no compensation costs was paid to employees because there were no employees that were assigned to the project on full time basis. The employee handling the project as per the roles & responsibilities indicated in item 1.6 above are Kenya Revenue Authority staff.

Description	2022/23			2021/22	Cumulative to date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Basic salaries of permanent employees	-	-	-	-	-
Basic wages of temporary employees	-	-	-	-	-
Personal allowances paid as part of salary	-	-	-	-	-
Personal allowances paid as reimbursements	-	-	-	-	-
Personal allowances provided in kind	-	-	-	-	-
Pension and other social security contributions	-	-	-	-	-
Compulsory national social security schemes	-	-	-	-	-

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
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Compulsory national health insurance schemes	-	-	-	-	-
Social benefit schemes outside government	-	-	-	-	-
Other personnel payments	-	-	-	-	-
Total	-	-	-	-	-

6. PURCHASE OF GOODS AND SERVICES

During the financial period to 30th June 2023, Kshs. 57 Million relates to payment for capacity building training for KRA Officers & Project Implementation as analysed below:-

-Kshs 14Million of the relates to trainings for Annual Training plan for FY/2021/2022, implementation completed and paid after 30th June 2022 in FY 2022/2023.

- Kshs 19Million relates to training for FY 2022/23 completed and paid as at 30th June 2023.

-Kshs 22Million relates to Incidental costs for the foreign training (Foreign Per diem) of as per World Bank no objection approval.

-Kshs 3Million relates to domestic travel & subsistence incurred during local training & Land public participation in Turkana

-Kshs 717,572.73 relates to Forex Loss incurred when paying the Training invoices incorporated in Training costs.

The Other Operating payments relate to per diem, Exchange rate differences & Bank Charges as disclosed in the table below:

	Period ended June. 2023			Period ended June 2022	Cummulative to date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Utilities, supplies and services	-	-	-	-	-
Communication, supplies and services	-	-	-	-	-
Domestic travel and subsistence	2,520	-	2,520	5,193	9,985
Foreign travel and subsistence	21,525	-	21,525	8,980	36,229
Printing, advertising and – information supplies & services	-	-	-	-	-
Rentals of produced assets	-	-	-	-	-
Training payments	32,609	-	32,609	33,372	88,486

Hospitality supplies and services	-	-	-	-	-
Insurance costs	-	-	-	-	-
Specialised materials and services	-	-	-	-	-
Other operating payments (Bank Charges)	11	-	11	14	39
Routine maintenance – vehicles and other transport equipment	-	-	-	-	-
Routine maintenance- – other assets	-	-	-	-	-
Exchange rate losses/gains (net)	718	-	-	-	773
Total	57,383		56,665	47,559	135,512

7. SOCIAL SECURITY BENEFITS

As disclosed in Note 9.7 above there were no employees assigned to the project thus no Social Security Benefits as disclosed in the table below:

Description	2022/23			2021/22	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Government pension and retirement benefits	-	-	-	-	-
Social security benefits in cash and in kind	-	-	-	-	-
Employer social benefits in cash and in kind	-	-	-	-	-
Total	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. ACQUISITION OF NON-FINANCIAL ASSETS

During the financial period to 30th June 2023, a) Crown Motor LTD And Isuzu LTD invoices of Kshs 71,792,634 relating 9 project vehicles had been processed by Kenya Revenue Authority as at 30th June 2022 pending payment by World Bank through direct payment. World Bank paid these on 13th July 2022.

b) We also paid Kshs. 12,582,936.94 to Achelis Material Handling for purchase of a Forklift(which was inclusive of FX loss of 1,166,669.79) and taxes Kshs. 37,588 for final invoice for Next technologies.

c) We also paid Kshs 5,191,513.90 to University of Nairobi for Supervision for construction of RRU fees

d) We also paid Kshs 518,119 for NEMA statutory fees for approval relating to construction of RRU.

e) Turkana Community donated a total of 60 acres of land to KRA, 20 acres each in Lodwar, Kakuma and Kainuk. KRA is in the process of following up for issuance of land ownership documents.

	Period ended June 2023			Period ended June 2022	Cummulative to date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Purchase of buildings	-	-	-	-	-
Construction of buildings	-	-	-	-	-
Refurbishment of buildings	-	-	-	-	-
Construction of roads	-	-	-	-	-
Construction of civil works	-	-	-	-	-
Overhaul & refurbishment of construction and civil works	-	-	-	-	-
Purchase of vehicles & other transport equipment	-	71,793	71,793	1,260	73,052
Overhaul of vehicles & other transport equipment	-	-	-	-	-
Purchase of household furniture & institutional equipment	-	-	-	-	-
Purchase of office furniture & general equipment (Computer infrastructure & Software - Kilindini Port)- (Capital Work in Progress)	38	-	38	92,404	206,553
Purchase of specialised plant, equipment and machinery(Forklift)	12,583	-	12,583	-	12,583
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	-

Purchase of certified seeds, breeding stock and live animals	-	-	-	-	-
Research, studies, project preparation, design & supervision (UON-Consultancy)	5,710	-	5,710	1,190	6,900
Rehabilitation of civil works	-	-	-	-	-
Acquisition of land	-	-	-	-	-
Acquisition of other intangible assets	-	-	-	-	-
Total	18,330	71,793	90,123	94,854	299,010

9. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the financial period to 30th June 2023, no funds were transferred to other reporting government entities.

Description	Payments		Total Payments	KShs '000'	Cumulative (KShs '000')
	made by the Entity in Cash	made by third parties			
	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Transfers to National Government entities					
Ministry	-	-	-	-	-
Project	-	-	-	-	-
Transfers to County Government					
County	-	-	-	-	-
TOTAL	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS(continued)

10. OTHER GRANTS AND TRANSFERS AND PAYMENTS

During the financial period to 30th June 2023, no funds were transferred to Grants.

Description	2022/23			2021/22	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Grants for scholarships	-	-	-	-	-
Transfers to lower levels of government e.g schools	-	-	-	-	-
Miscellaneous payments	-	-	-	-	-
Total	-	-	-	-	-

11. CASH AND CASH EQUIVALENTS

Description	2022/23	2021/22
	KShs '000'	KShs '000'
Bank accounts (Note 11A)	63,738	6,363
Cash in hand (Note 11B)	-	-
Cash equivalents (short-term deposits) (Note 11C)	-	-
Total	63,738	6,363

As at 30th June 2023, we had received three disbursements i.e. Kshs. 9,683,289 (US\$ 82,721 @117.06), Kshs. 10,724,658 (US\$ 91,204 @117.59), Kshs. 15,290,647 (US\$ 129,923 @117.69) and Kshs. 4,591,320 (US\$ 37,331 @122.99), Kshs 28,748,720 (US\$ 237,848), Kshs 14,936,832 (US\$ 118,068) , Kshs 6,173,432 (US\$ 46,201), Kshs 18,908,157 (USD 135,786) and Kshs 24,030,776 (USD 172,239) totalling to Kshs. 133,087,832 (US\$ 1,051,321)

As at 30th June 2023 Counterpart Budget of Kshs 40 Million requested on 29th March 2023 was still outstanding from The National Treasury.

The project has one bank account as shown below.

11. A Bank Accounts
Project Bank Accounts

Description	2022/23	2021/22
	KShs '000'	KShs '000'

Local Currency Accounts		
National Bank of Kenya- A/C No 01020014867900	63,738	6,363
Total local currency balances	<u>63,738</u>	<u>6,363</u>
Total bank account balances	<u>63,738</u>	<u>6,363</u>

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2023 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

Special Deposit Accounts Movement Schedule

Description	2022/23	2021/22
	USD 000	USD 000
Central Bank of Kenya- A/C No 1000243775		
Opening balance	-	20
Total amount deposited in the account	747	510
Total amount withdrawn (as per Statement of Receipts & Payments)	747	530
Closing balance (as per SDA bank account reconciliation attached)	-	-

The Special Deposit Account reconciliation statement has been attached as *Appendix iii* support these closing balances.

11 B Cash In Hand

During the financial period to 30th June 2023, there was no Cash on hand or Cash Equivalent (Short-term deposits) in the reporting period.

Description	2022/23	2021/22
	KShs 000	KShs 000
Time Towers	-	-
Total cash balances	=	=

11 C Cash equivalents (short-term deposits)

During the financial period to 30th June 2023, there were no Cash equivalents.

Description	2022/23	2021/22
	KShs 000	KShs 000
Time Towers	-	-
Total cash equivalents	=	=

12. IMPRESTS AND ADVANCES

During the financial period to 30th June 2023, there was no pending Imprests or Salary advances in the reporting period.

Description	2022-2023	2021-2022
	Kshs 000	Kshs 000
Government Imprests	-	-
Salary advances	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS(Continued)

12A: BREAKDOWN OF IMPRESTS AND ADVANCES

During the financial period to 30th June 2023, there were no outstanding Imprests or advances.

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	2022/23	2021/22
	KShs 000	KShs 000	KShs 000	KShs 000	KShs 000
	-	-	-	-	-
Total	-	-	-	-	-

13. DEPOSITS AND RETENTION MONIES

During the financial period to 30th June 2023, there were no accounts payable.

Description	2022/23	2021/22
	KShs '000'	KShs '000'
Retention	-	-
Deposits	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS(Continued)

14. FUND BALANCE BROUGHT FORWARD

During the financial period to 30th June 2023, there was balance brought forward of Kshs 6,362,790 in the Project account.

Description	2022/23	2021/22
	KShs '000'	KShs '000'
Bank accounts	6,363	2,288
Cash in hand	-	-
Outstanding imprests and advances	-	-
Total	6,363	2,288

15. PRIOR YEAR ADJUSTMENT

During the financial period to 30th June 2023, there were no Prior year adjustments disclosed in the table below:

Description of the error	Balance b/f FY 2022/2023 statements	Adjustments	Adjusted Balance b/f FY 2022/2023
	KShs '000'	KShs '000'	KShs '000'
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
	-	-	-

16. CHANGES IN IMPREST AND ADVANCES

During the financial period to 30th June 2023, there were no accounts receivables

Description	2022 - 2023	2021 - 2022
	KShs '000'	KShs '000'
Opening Receivables as at 1 st July 2022	-	-
Closing account receivables as at 30 th June 2023	-	-
Changes in Imprest and Advances	-	-

NOTES TO THE FINANCIAL STATEMENTS(Continued)

17. CHANGES IN ACCOUNTS DEPOSITS AND RETENTION

During the financial period to 30th June 2023, there were no accounts payable- Deposits and retentions.

Description	2022 - 2023	2021 - 2022
	KShs '000'	KShs '000'
Deposit and Retentions as at 1 st July 2022	-	-
Closing account payable as at 30 th June 2023	-	-
Changes in deposits and retention	-	-

NOTES TO THE FINANCIAL STATEMENTS(Continued)

OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 4A)

As at end of the year 30th June 2022 Crown Motor invoices of Kshs. 41,747,586.20 and Isuzu East Africa LTD of Kshs. 30,045,047.90 relating to purchase of EARTTDFP motor vehicles were pending payment as disclosed in the table below. These have since been paid by World Bank through Direct payment on 13th July 2022.

Some invoices relating to training completed in June, received and had not been paid as at closing of the year 30th June 2023 as disclosed in the table below:

	Balance b/f July, 2022	Additions for 2022-2023	Paid during 2022-2023	Balance c/f 2022-2023
Description	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Crown Motors Group LTD (Invs 19600336,19600337, 19600338, 19600339)	41,748	-	(41,748)	-
Isuzu East Africa LTD (Invs 91409956,91409957, 91409958, 91409959, 91409960)	30,045	-	(30,045)	-
Kenya School of Revenue Administration (KESRA)	-	2,920	-	2,920
Kenya School of Government (KSG) Inv SINVC-NRB03314, SINV- MBSA3058 & SINV- EMBU03786	-	6,708	-	6,708
Kenya Institute of Supplies Management (KISM)	-	2,830	-	2,830
Total	71,793	12,459	(71,793)	12,459

2. PENDING STAFF PAYABLES (See Annex 4B)

As disclosed in Note 5 above there were no employees on a full time basis thus no Pending Staff Payables as disclosed in the table below:

	Balance b/f 2021/2022	Additions for the Year	Paid during the year	Balance c/f 2022/2023
Description	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Senior management	-	-	-	-
Middle management	-	-	-	-
Unionisable employees	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

3. OTHER PENDING PAYABLES (See Annex 4C)

During the financial period to 30th June 2023, there were no other pending payables as disclosed in the table below:

	Balance b/f FY 2021/2022	Additions for the Year	Paid during the year	Balance c/f FY 2022/2023
Description	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
Total	-	-	-	-

4. External Assistance

During the financial period to 30th June 2023, there was no other external assistance toward this project in addition to the above disclosed loan from World Bank- International Development Agency

	2022/2023	2021/2022
Description	KShs '000'	KShs '000'
External assistance received in cash	-	-
External assistance received as loans and grants	-	-
External assistance received in kind- as payment by third parties	-	-
Total	-	-

a) External assistance relating loans and grants

	2022/2023	2021/2022
Description	KShs '000'	KShs '000'
External assistance received as loans	-	-
External assistance received as grants	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS(Continued)

b)Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2022/2023	2021/2022
Description		KShs '000'	KShs '000'
Undrawn external assistance - loans	-	-	-
Undrawn external assistance - grants	-	-	-
Total	-	-	-

c. Classes of providers of external assistance

	2022/2023	2021/2022
Description	KShs '000'	KShs '000'
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

d. Non-monetary external assistance

	2022/2023	2021/2022
Description	KShs '000'	KShs '000'
Goods	-	-
Services	-	-
Total	-	-

OTHER IMPORTANT DISCLOSURES (continued)

e. Purpose and use of external assistance

PAYMENTS MADE BY THIRD PARTIES	2022/2023	2021/2022
	KShs '000'	KShs '000'
Compensation of Employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to Other Government Units	-	-
Other grants and transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs, including Loan Interest	-	-
Repayment of principal on Domestic and Foreign borrowing	-	-
Other Payments	-	-
TOTAL	-	-

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

During the financial period to 30th June 2023, there was no external assistance paid directly by third parties to settle obligations on behalf of Kenya Revenue Authority.

	2022/2023	2021/2022
Description	KShs '000'	KShs '000'
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

Other Important Disclosures (Continued)

5. Payments By Third Party on Behalf of The Project

During the financial period to 30th June 2023, Donor World bank paid Kshs 71,792,634 being invoices from Crown Motor LTD and Isuzu LTD relating to Purchase of Motor Vehicles which had been processed with KRA prior to 30th June 2023 pending World Bank approval and payment via direct payment. This is as disclosed in the tables below:

5.1 Classification by Source

Description	2022/2023 KShs '000'	2021/2022 KShs '000'
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International Development Agency	71,792	88,272
Total	71,792	88,272

5.2 Classification of payments made by Third Parties by Nature of expenses

Description	2022/2023 KShs '000'	2021/2022 KShs '000'
Compensation of employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other government units	-	-
Other grants and transfers	-	-
Social security benefits	-	-
Acquisition of assets	71,792	88,272
Finance costs, including loan interest	-	-
Other payments	-	-
Total	71,792	88,272

Other Important Disclosures (Continued)

6. Related Party transactions

During the financial period to 30th June 2023, there was no related party transaction payments made.

Description	2022/2023	2021/2022
	KShs '000'	KShs '000'
Compensation to Key Management	-	-
Compensation to the program manager/ director	-	-
Key Management Compensation others (specify)	-	-
Total Compensation to Key Management	-	-
Transfers to related parties	-	-
Transfers to other government entities	-	-
Total Transfers to related parties	-	-
Transfers from related parties	-	-
Transfers from the Ministry/ department	-	-
Payments made on behalf of the project by other govt. entities	-	-
Total Transfers from related parties	-	-

7. Contingent Liabilities

During the financial period to 30th June 2023, there was no contingent liabilities

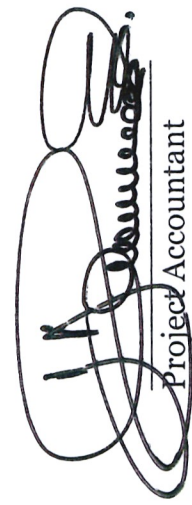
Contingent liabilities	2022/2023	2021/2022
	KShs '000'	KShs '000'
Court cases against the project	-	-
Bank guarantees in favour of other govt. entities	-	-
Contingent liabilities arising from PPPs/ donor agreements	-	-
Total		

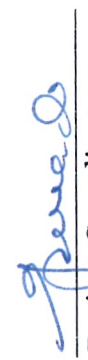
13. ANNEXES

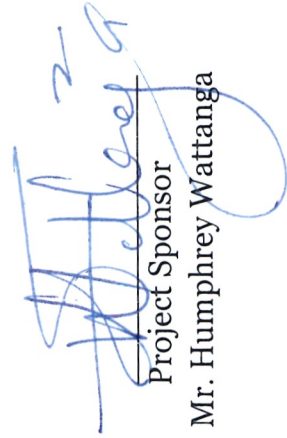
ANNEX 1 - PRIOR YEAR AUDITOR- GENERAL RECOMMENDATIONS

The following is the summary of issues raised by the external auditor

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/EART T&DFP/2021/2022/(23)	There were no material issues noted and no significant deficiency				


 Project Accountant
 CPA. Josephat Omondi
 ICPAK Member No: 3473


 Project Coordinator
 Lilian Nyawanda


 Project Sponsor
 Mr. Humphrey Wattanga

ANNEX 2 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS FOR CURRENT YEAR 2022/2023

	Final Budget KShs '000'	Actual on Comparable Basis KShs '000'	Budget Utilization Difference KShs '000'	% of Utilization	Comments on Variance (below 90% and over 100%)
Receipts	a	b	c=a-b	d=b/a %	
Transfer from Government entities	40,000	-	40,000	0%	1) Supplementary budget FY 2022/23 allocated Kshs 40M in March 2023. Amount requested but not received from National Treasury
Proceeds from domestic and foreign grants	150,000	204,880	-54,880	137%	2) KRA's Budget was revised downwards in the Supplementary Budget FY 2022/23 when the amounts had already been committed.
Proceeds from borrowings	-	-	-	-	
Miscellaneous receipts	-	-	-	-	
Total Receipts	190,000	204,880	-14,880	108%	
Payments					
Purchase of goods and services					3) These were the activities scheduled to be implemented in FY 2022/23.
a) Training Services Capacity Building	92,506	57,696	34,810	62%	a) Annual Training Plan for FY 2022/23 (Kshs 91M) World Bank No objection approval already received. Implementation still in progress. To be completed and paid in FY 2023/24
b) Purchase of Furniture & Office Equipment	40,000	-	40,000	0%	4) Supplementary budget FY 2022/23 allocated in March 2023. Procurement of furniture in progress expected to be completed Qrt 1 FY 2023/24.
Acquisition of non-financial assets					
a) Purchase M.Vehicles & Forklifts	57,494	89,810	-32,316	156%	5) Motor Vehicles payment of 72M had been processed by KRA on 30th June 2022, Paid by World Bank through direct payment on 13th July 2022.
b) Consult BQ's for RRU					6) Procurement of Consultant Kshs 20M done, 1 st milestone and 2 nd Milestone paid. Next milestone to be paid as Construction progresses in FY 2023/24.
Total Payments	190,000	147,506	42,494	78%	KRA's Budget was revised downwards in the Supplementary Budget FY 2022/23 when the amounts had already been committed. Also Amount of Kshs 40M relating to Supplementary budget FY 2022/23 allocated in March 2023 was not received from National Treasury. This impacted in the underutilisation of 22% (100%-78%)

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
Annual Report and Financial Statements for the financial year ended June 30th 2023

ANNEX 3: RECONCILIATION OF INTER-ENTITY TRANSFERS

PROJECT NAME: EASTERN AFRICA REGIONAL TRANSPORT & DEVELOPMENT FACILITATION PROJECT			
Break down of Transfers			
a. Government Counterpart Funding	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		-	
		-	
		-	
	Total	-	
b. Direct Payments	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		-	
		-	
		-	
	Total	-	
c. Others	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		-	
		-	
	Total	-	
	TOTAL(a+b+c)	-	

ANNEX 4A - ANALYSIS OF PENDING ACCOUNTS PAYABLES

During the financial period to 30th June 2023, the project closed the year with Kshs 12Million of invoices relating to Trainings which were completed end of June 2023, received and not yet paid as at 30th June 2023 as disclosed in the table below. These were paid on 10th July 2023 FY 2023/24.

Supplier of Goods or Services	Original Amount KShs '000'	Date Contracted	Amount Paid To-Date KShs '000'	Outstanding Balance June 2023 KShs '000'	Outstanding Balance June 2022 KShs '000'	Comments
	a	b	c	d=a-c		
Supply of Goods						
Crown Motors Group LTD (Invs 19600336,19600337, 19600338, 19600339)	41,748	11/11/2021	(41,748)	-	41,748	Vehicles delivered FY 2021/22 and paid by World Bank via Direct payment in July FY 2022/23
Isuzu East Africa LTD (Invs 91409956,91409957, 91409958, 91409959, 91409960)	30,045	12/11/2021	(30,045)	-	30,045	Vehicles delivered FY 2021/22 and paid by World Bank via Direct payment in July FY 2022/23
Sub-Total	71,793		(71,793)	-	71,793	
Supply of Services						
Kenya School of Revenue Administration (KESRA)	2,920	08/06/2023	-	2,920	-	Training completed in June 2023. Invoices paid on 10th July FY 2023/24
Kenya School of Government (KSG) Inv SINVC-NRBo3314, SINV-MBSA3058 & SINV-EMBU03786	6,708	19/06/2023	-	6,708	-	Training completed in June 2023. Invoices paid on 10th July FY 2023/24
Kenya Institute of Supplies Management (KISM)	2,830	15/06/2023	-	2,830	-	Training completed in June 2023. Invoices paid on 10th July FY 2023/24
Sub-Total	12,458		-	12,458	-	
Grand Total	84,251		(71,793)	12,458	71,793	

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
Annual Report and Financial Statements for the financial year ended June 30th 2023

ANNEX 4B - ANALYSIS OF PENDING STAFF BILLS

During the financial period to 30th June 2023, there were no pending staff compensated on the project thus there were no staff bills.

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To Date	Outstanding Balance June 2023	Outstanding Balance June 2022	Comments
		a	b	c	d=a-c		
Permanent Employees - Management							
None	-	-	-	-	-	-	
Sub-Total							
Permanent Employees – Others							
None	-	-	-	-	-	-	
Sub-Total							
Temporary employees							
None	-	-	-	-	-	-	
Sub-Total							
Others (specify)							
None	-	-	-	-	-	-	
Sub-Total							
Grand Total							

ANNEX 4C - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance June 2023	Outstanding Balance June 2022	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							

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
Annual Report and Financial Statements for the financial year ended June 30th 2023
ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) FY 2022/2023	Purchases/ Additions (KShs) FY 2022/2023	Disposals (KShs) FY 2022/2023	Transfers in/(out) KShs FY 2022/2023	Closing Cost (KShs) FY 2022/2023
	(a)	(b)	(c)	(d)	(e) = (a) + (b) - (c) + (-) d
	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Land	-	-	-	-	-
Buildings and structures	-	-	-	-	-
Transport equipment: Motor vehicles & Forklifts	1,260	84,376	-	-	85,635
Office equipment, furniture and fittings	-	-	-	-	-
ICT Equipment, (Kilindini Lot 1 & 2)	-	-	-	206,553	206,553
Other Machinery and Equipment	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Biological assets	-	-	-	-	-
Infrastructure assets roads, rails	-	-	-	-	-
Intangible assets	-	-	-	-	-
Work in Progress	207,706	5,747	-	-206,553	6,900
Total	208,966	90,123	0	0	299,088

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
Annual Report and Financial Statements for the financial year ended June 30th 2023

ANNEX 6 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						

ANNEX 7 REPORTING OF CLIMATE RELEVANT EXPENDITURES

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

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
Reports and Financial Statements
For the financial year ended June 30, 2023

Annex 8: Reporting Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

Annex 9: Other Support Documents

- i. Bank Reconciliations statement as at 30th June 2023
- ii. Board of Survey Report
- iii. Special Deposit Account(s) reconciliation statement(s)
- iv. KRA Trial Balance

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
Annual Report and Financial Statements for the financial year ended June 30th 2023

APPENDIX i – BANK RECONCILIATION PROJECT ACCOUNT NATIONAL BANK OF KENYA

MINISTRY:	FINANCE		
IMPLEMENTING AGENCY	KENYA REVENUE AUTHORITY		
PROJECT NAME:	EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT		
IDA CREDIT:	No. 56380KE		
REPORT:	Interim Financial Report (IFR)		
THIS SCHEDULE:	Bank Reconciliation Statement		
Bank and Branch	National Bank of Kenya Ltd - Times Tower Nairobi		
Account No.	01020014867900		
PERIOD OF REPORT:	Year ending 30th June 2023		
CURRENCY:	Kenya shilling		

	<u>Note.</u>	<u>Kshs</u>	<u>Kshs</u>
01/07/2022	Balance b/fwd		6,362,790
Add:	Receipts	133,087,831.98	
	Interest	-	<u>133,087,832</u>
	Total Receipts		139,450,622
Less:	Bank charges as at 30/06/2023	37,588.00	
	Payments as at 30/06/2023	<u>75,675,458.18</u>	<u>75,713,046</u>
	Unpresented cheque		-
30/06/2023	Balance as per bank statement		<u>63,737,576</u>

		<u>Kshs</u>	<u>Kshs</u>
KENYA REVENUE AUTHORITY	Balance per Bank Statements		<u>65,543,896</u>
PROJECT A/C 01020014867900	Add:		
30/06/2023	Receipts in cash book not yet credited by Bank		
30/06/2023	Payments in Bank statement and not in the cash book		
	Deduct:		
30/06/2023	Cheques not debited by Bank (Unpresented cheques)	-	1,806,320
30/06/2023	Receipts in bank statement not in the cash book	-	
Balance per Cash Book			<u>63,737,576</u>

Notes:

Josephat Omondi
Head of Finance
Project Accountant - ICPAK Member No. 3473

Lilian Nyawanda
Project Coordinator

Mr Humphrey Wattanga
Project Sponsor
Commissioner General

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
Annual Report and Financial Statements for the financial year ended June 30th 2023

APPENDIX ii – BOARD OF SURVEY

Bank Reconciliation-2 1

MINISTRY: THE NATIONAL TREASURY
 IMPLEMENTING AGENCY: KENYA REVENUE AUTHORITY
 PROJECT NAME: EASTERN AFRICA REGIONAL TRANSPORT, TRADE, & DEVELOPMENT FACILITATION PROJECT
 IDA CREDIT: NO. 5638KE
 REPORT: Bank Reconciliation Statement
 Bank and Branch: National Bank of Kenya Ltd - Times Tower Nairobi
 Account No. 01020014867900
 PERIOD OF REPORT: 30TH JUNE, 2023

		Kshs	Kshs
01/06/2023	Balance b/fwd		25,425,246.88
	Receipts	42,938,932.80	
	Interest		42,938,932.80
	Total Receipts		85,877,865.60
Less:			
	Bank charges as at 30/06/2023	1,320.00	
	Payments as at 30/06/2023	2,818,964.00	2,820,284.00
Add			
	Unpresented cheque		
30/06/2023	Balance as per bank statement		65,543,895.68
KENYA REVENUE AUTHORITY			
PROJECT A/C 01020014867900			
		Kshs	Kshs
30/06/2023	Balance per Bank Statements		65,543,895.68
	Add		
30/06/2023	Receipts in cash book not yet credited by Bank		
30/06/2023	Payments in Bank statement and not in the cash book		
	Deduct:		
30/06/2023	Cheques not debited by Bank (Unpresented cheques)	1,806,320.00	
30/06/2023	Receipts in bank statement not in the cash book		1,806,320.00
	Balance per Cash Book		63,737,575.68

	NAME	DESIGNATION	SIGNATURE	DATE
Prepared by:	George Ouya	Supervisor		04/07/2023
Checked by:	Alex Mwangi	Asst. Manager		04/07/2023
Approved by:	Jacqueline Osango	Manager		04/07/2023

on behalf of Survey Team,

1. George Ouya

2. Philip Kiplangat Kimani

04/07/2023

04/07/2023

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
Annual Report and Financial Statements for the financial year ended June 30th 2023

BOARD OF SURVEY ((CONTINUATION))



A Subsidiary of KCB Group PLC

National Bank of Kenya Limited
Head Office, National Bank Building
Harambee Avenue,
P. O. Box 72888 - 00200, Nairobi, Kenya
Tel: +254 (0) 20 - 2828000
Cell: +254 (0) 711 - 038000
Email: info@nationalbank.co.ke
Website: www.nationalbank.co.ke

03 JULY 2023

KCA 30

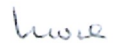
CERTIFICATE OF BALANCE

Certified that the balance of KSH Account of K.R.A. - EAST AFRICAN REGIONAL TRANSPORT TRADE AND DEV A/C 01020014867900 as at 30-06-2023 is KSH. 65,543,895.68. Credit)

Read: *KSH Sixty five million five hundred forty three thousand eight hundred ninety five cents sixty eight only (Credit).*

Examined by: 

Authorized Signatory



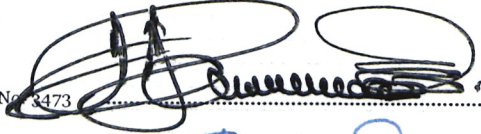

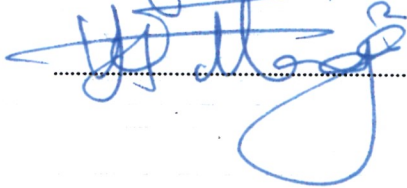
Branch Operations Manager

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
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APPENDIX iii – BANK RECONCILIATION SPECIAL DEPOSIT ACCOUNT CENTRAL BANK OF KENYA

MINISTRY: IMPLEMENTING AGENCY: PROJECT NAME: IDA CREDIT: REPORT: THIS SCHEDULE: Bank and Branch Account No. PERIOD OF REPORT: CURRENCY:	FINANCE KENYA REVENUE AUTHORITY EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT No. 56380KE Interim Financial Report (IFR) Bank Reconciliation Statement Central Bank of Kenya LTD 1000243775 Year ending 30th June 2023 US Dollar
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		<u>Note.</u>	<u>USD</u>	<u>USD</u>
01/07/2022	Balance b/fwd			-
Add:	Receipts		747,473.50	
	Interest			747,474
	Total Receipts		<u>747,473.50</u>	<u>747,474</u>
Less:	Payments as at 30/06/2023		<u>747,473.50</u>	<u>747,474</u>
	Unpresented cheque			
30/06/2023	Balance as per bank statement			-

Josephat Omondi Head of Finance Project Accountant - ICPAK Member No. 4473	
Lilian Nyawanda Project Coordinator	
Mr Humphrey Wattanga Project Sponsor Commissioner General	

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APPENDIX iv – TRIAL BALANCE PROJECT

MINISTRY: FINANCE
IMPLEMENTING AGENCY: KENYA REVENUE AUTHORITY
PROJECT NAME: EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT PROJECT
IDA CREDIT REPORT: No. 56380KE
TRIAL BALANCE FOR YEAR END 30th JUNE 2023

TRIAL BALANCE EASTERN AFRICA REGIONAL TRANSPORT, TRADE AND DEVELOPMENT FACILITATION PROJECT AS AT 30TH JUNE 2023			
GL Code	Item Description	2022/2023	
		DR (Kshs)	CR (Kshs)
ASSETS			
13000150	Bank Bal c/d as at 30th June 2023	63,737,575.68	
10002010	Motor Vehicles	71,792,634.10	
10002010	Forklift	12,582,936.94	
10007010	Capital Working Progress	5,433,939.90	
NON-CURRENT LIABILITIES			
2210010	Fund Bal b/f		6,362,789.97
2210010	Fund Received in Year		133,087,831.80
2210010	Grant Received in Year (Direct Payments)		71,792,634.10
EXPENSES			
60008010	Training	54,447,167.61	
60002020	Local Accomodation	2,520,149.00	
60024010	Bank Charges	11,280.00	
60024012	Exch Rate Diff	717,572.73	
TOTAL BALANCES		211,243,256	211,243,256
<p>CPA. Josephat Omond Head of Finance Project Accountant - ICPAK Member No. 3473</p> <p>Lilian Nyawanda Project Coordinator</p> <p>Mr. Humphrey Wattanga Project Sponsor Commissioner General</p>			

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