

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 25 SEP 2019

Wednesday

Majority Party Whip P  
Hon. Benjamin Tomo

Hon. Abenja

PARLIAMENT  
OF KENYA  
LIBRARY

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
KENYA RURAL  
ROADS AUTHORITY

FOR THE YEAR ENDED  
30 JUNE 2018





OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

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## **KENYA RURAL ROADS AUTHORITY**



## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30 2018**

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

***Opening Up Rural Kenya***

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## **ABBREVIATIONS**


AIA	Appropriation In Aid
AFD	Agence Francise De Development
EU	European Union
FY	Financial Year
GIS	Geographical Information System
GoK	Government of Kenya
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
KeRRA	Kenya Rural Roads Authority
KeNHA	Kenya National Highways Authority
KfW	Germany Development Bank
KM	Kilometres
KRA	Kenya Revenue Authority
KRB	Kenya Roads Board
KURA	Kenya Urban Roads Authority
MTEF	Medium Term Expenditure Framework
LVSr	Low Volume Seal Roads
MoTIHUD	Ministry of Transport, Infrastructure, Housing and Urban Development
RMLF	Road maintenance Levy Fund
RSIP	Road Sector Investment Programme

## OUR VISION

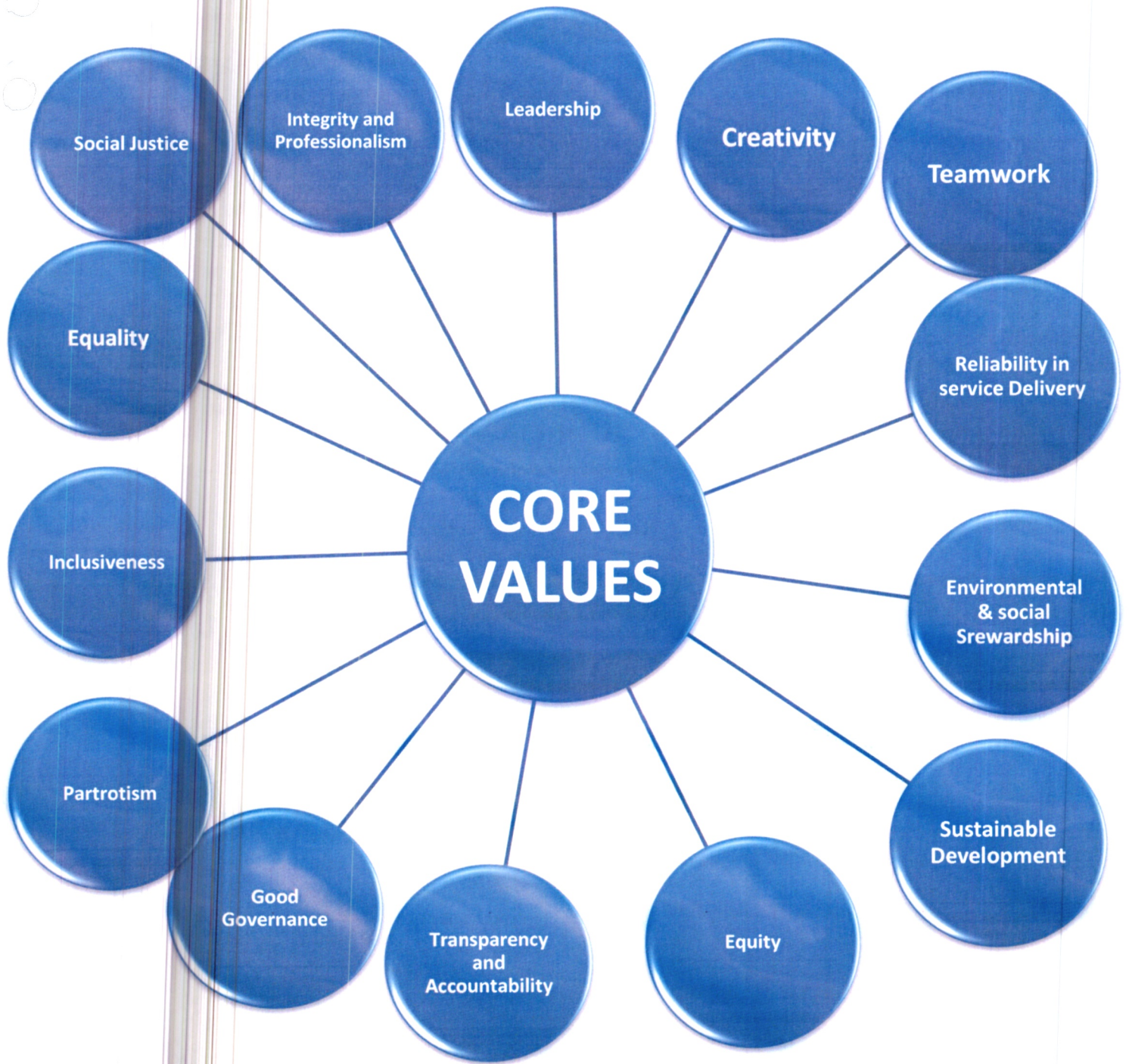


**To be a provider of an adequate, quality,  
safe and efficient rural road network**

## OUR MISSION



**To Construct, Maintain and Manage the  
Rural Road Network for Sustainable Social  
Economic Development**



## KEY AUTHORITY'S INFORMATION AND MANAGEMENT

### (a) Background information

Kenya Rural Roads Authority (KeRRA) is a State Corporation established under the Kenya Roads Act 2007. The Authority is headed by a Board of Directors led by a Chairman with the Director General being the Chief Executive of the Authority.

At the cabinet level the Authority is represented by the Cabinet Secretary for the Ministry of Transport, Infrastructure, and Housing and Urban Development who is responsible for the general policy and strategic direction of the Authority.

The Authority begun its operations in September 2008 and is represented in the 47 counties through regional offices.

### (b) Principal activities

As stipulated in the Kenya Roads Act 2007, the Authority is responsible for the management, development, rehabilitation and maintenance of the Rural Road network in Kenya classified as D, E and others.

### (c) Key Management

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

1. Board of Directors
2. Senior Management led by the Director General

### (d) Fiduciary Management

The key Management personnel who held office during the financial year ended 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

1. Acting Director General	Eng. Luka Kipchumba Kimeli
2. Director General	Eng. John Okuna Ogango
3. General Manager (Finance)	CPA. Dan Manyasi Chamwama
4. General Manager (D&C)	Eng. Peter Patu Gichohi
5. General Manager (Maintenance)	Eng. Julius K. Gakubia
6. General Manager (Planning & R2000)	Eng. Enoch Ariga Kombo
7. General Manager (Special Projects)	Eng. Jackson K. Magondu.
8. Manager (Human Resource)	Ms Judith Adhiambo Yamo.
9. Manager (Internal Audit)	CPA. Judith Chepkemoi Chumo.
10. Manager (Legal Affairs)	Mr. Justin Rapando.
11. Manager (Procurement)	Miss. Margaret Wanja Muthui.
12. Manager (Public Relations)	Ms Catherine C. Butaki.
13. Manager (Quality Assurance)	Eng. Alfred Odhiambo Achoki
14. Manager (Survey)	Mr. Kenneth Wando Odhiambo

### (e) Fiduciary Oversight Arrangements

1. Ministry of Transport Infrastructure Housing and Urban Development
2. Kenya Roads Board

**(f) Independent Auditor**

Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 49384-00100  
Nairobi, GPO

**(g) Authority Headquarters**

6th Floor, Blue Shield Towers,  
Hospital Hill Road, Upper Hill,

**(h) Authority Contacts**

PO Box 48151 – 00100,  
Nairobi GPO  
Tel. 0202710464  
Email: [kerra@kerra.go.ke](mailto:kerra@kerra.go.ke)  
Website: [www.Kerra.go.ke](http://www.Kerra.go.ke)

**(i) Principal Bankers**

**1. KCB Bank Limited,**

Moi Avenue Branch,  
P.O. Box 48400-00100,  
Nairobi GPO

**2. NIC Bank Limited,**

Upper Hill Branch,  
P.O. Box 44599-00100 ,  
Nairobi GPO

**3. Equity Bank Limited,**

Equity Centre,  
Hospital Road, Upper Hill.  
P.O. Box 75104-00200,  
Nairobi

**4. Cooperative Bank Limited**

Co-operative House,  
Haile Selassie Avenue,  
P.O. Box 48231 - 00100,  
Nairobi GPO



**(j) Principal Legal Adviser**

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


## BOARD OF DIRECTORS

The Board members are drawn from representatives from public and private sector as set out in section 8 of the Kenya Roads Act 2007. The members who held the office during the year under review were as follows:

 <p>Eng. Richard Chepkwony MBS 7th July, 2017</p>	<p>Eng. Richard Chepkwony was born in 1950 and holds a Master of Science degree in Forest Industries Technology, a Bachelor of Engineering degree (Civil) and a Higher National Diploma in Building and Civil Engineering. He has over thirty years' experience in the Building and Civil Engineering Industry as a structural/civil engineer. He is a fellow of the Institution of Engineers of Kenya and a member of the Engineers Board of Kenya. He has held several senior positions within the public service. He is trained in Corporate Governance. He was appointed under section 8(1) f(i) of the Kenya Roads Act 2007 by the Institute of Engineers of Kenya. Eng. Richard Chepkwony retired from the Board on 7th July, 2017 having served for a period of 8 years.</p>
 <p>Mr. Henry K. Rotich, CBS Cabinet Secretary National Treasury</p>	<p>Mr. Henry K. Rotich is the Cabinet Secretary for The National Treasury. Prior to his appointment, he was the Head of Macroeconomics at the Treasury, Ministry of Finance for 7 years. Prior to joining the Ministry of Finance, Mr. Rotich worked at the Central Bank of Kenya for 12 years. He was attached to the International Monetary Fund (IMF) local office in Nairobi as an economist between 2001- 2004. He has been a Director of several Boards of State Corporations including; Insurance Regulatory Board, Industrial Development Bank, Communication Commission of Kenya and Kenya National Bureau of Statistics. Mr. Rotich holds a Master's Degree in Public Administration (MPA) from the Harvard Kennedy School, Harvard University. He also holds MA and BA degrees in Economics from the (University of Nairobi)</p>
 <p>Mrs. Margaret Muiru, OGW Alternate to the Cabinet Secretary –The National Treasury</p>	<p>Mrs Margaret Muiru was born in 1959. She holds a Bachelor of Arts Degree in political science from the University of Nairobi and is finalizing an MBA in Government and Ethics from Mount Kenya University. She has attend various professional courses including Advanced Public Administration and Strategic Leadership Development.</p> <p>She has extensive experience in administration and corporate governance having served in different capacities in various government departments and ministries.</p> <p>She is the alternate to the Cabinet Secretary The National Treasury.</p>
 <p>Mr. Julius Korir, EBS Principal Secretary Infrastructure- Ministry of Transport, Infrastructure, Housing &amp; Urban Development. From January 2018</p>	<p>Mr. Julius Korir is the Principal Secretary - Ministry of Transport, Infrastructure, Housing &amp; Urban Development and was previous Principal Secretary, State Department of Industry and Enterprise Development in the Ministry of Industry, Investment and Trade having been appointed in December 2015. He also served as the Industrialization Secretary, Ministry of Industrialization and Enterprise Development from May 2014. He holds an MBA in International Business and a BSc. in Agricultural Economics.</p> <p>Mr. Julius Korir has had an industrious and successful career in trade &amp; industrial development; and senior management in various institutions. This experience includes championing the Ease of Doing Business for a conducive business environment; export trade promotion, investment promotion; private sector development; Small and Medium Enterprise (SME) development; Sector and</p>

	<p>Enterprise productivity and competitiveness; and Market development, promotion and linkages.</p> <p>Mr. Julius Korir has 15 years of experience in the national trade and industry development and 10 years in senior management and leadership positions in various institutions in the trade and industry sectors. While at the Kenya Investment Authority (KENINVEST), he held the position of Acting Managing Director from August 2011 to August 2012. Mr. Julius Korir also served at the Export Promotion Council for 15 years rising up to become the General Manager in charge of Trade Information and Business Advisory Services in 2008.</p>
 <p><b>Eng. John Mosonik CBS</b>                  Principal Secretary- Infrastructure,                  Ministry of Transport and Infrastructure                  Up to January 2018</p>	<p>Eng. John Mosonik was born in 1958 and was the Principal Secretary Infrastructure, Ministry of Transport, Infrastructure Housing and Urban Development until Secretary 26<sup>th</sup> January 2018. He holds an MBA in Strategic Management ,Bachelor of Science in Electrical Engineering, and Master of Science in Finance. He is trained in Corporate Governance.</p> <p>Eng. John Mosonik has previously worked in the following capacities: Industrialization Secretary in the Ministry of Industrialization; Director for Strategy at Sameer Group ICT Companies; Deputy Managing Director at Telkom Kenya Limited; and General Manager at Gilgil Telecom Industries among other positions.</p> <p>He is trained in various fields including Strategic Management and Economic Analysis; Telecoms Engineering and Electronic Technology Production Process, Telecommunications, Executive Management and Telecoms Network.</p>
 <p><b>Eng. Francis Gitau</b>                  Alternate to Principal Secretary-State                  Department of Infrastructure- Ministry of                  Transport and Infrastructure</p>	<p>Eng. Francis Gitau was born in 1965. He is the Infrastructure Secretary responsible to the Principal Secretary, Infrastructure, Ministry of Transport, Infrastructure, Housing &amp; Urban Development. He is nominated as an alternate Board Member for the Principal Secretary, Infrastructure.</p> <p>Eng. Francis Gitau holds an MSc Civil from University of Nairobi, MBA from JKUAT, an Advanced Professional Training in Management of Road Maintenance from Aachen University, Germany and a BSc Civil from University of Nairobi. He is the chairman of the Mechanical Transport Fund from 2015. He is also been an alternate director. He has worked in the various capacities including Chairman of Budget Committee Infrastructure Department; chairman of Transport Sector Training Committee of National Industrial Training Authority; Alternate chair of Ministerial Human Resource Committee; chairman of National Steering Committee on Review of Road Design Standards; and ISO Implementer under Roads Department among other leadership positions.</p> <p>He is trained in the various areas including Strategic Leadership; Resource Management; Management of Labour Based Road Construction and Maintenance Programme, Management of Road Maintenance, Financial Monitoring and Evaluation, Management Corporate Governance and FIDIC Course.</p>

 <p><b>Ms Mwanamaka Amani Mabruki</b> Principal Secretary-Devolution, Ministry of Devolution &amp; Planning Up to 26<sup>th</sup> January 2018</p>	<p>Ms Mwanamaka Amani Mabruki was previously the Principal Secretary –Devolution, Ministry of Devolution and planning. She holds a masters and a Bachelor’s degree both in Economics from the University of Nairobi. She was previously the Principal Secretary East African Affairs and has held senior management positions including Managing Director at Kenya National Shipping Line and Head of Corporate Development at Kenya Ports Authority. Ms Mwanamaka Amani Mabruki retired from the Board on 26<sup>th</sup> January 2018.</p>
 <p><b>Mr. Micah Pkopus Powon</b> Principal Secretary for the State Department of Devolution(July 2017-January 2018)</p>	<p>Mr. Micah Pkopus Powon was the Principal Secretary for the State Department of Devolution. He holds Master of Science in Horticulture and Bachelor of Science in Agriculture from Egerton University and University of Nairobi respectively.</p> <p>Prior to his appointment Mr. Powon was the Principal Secretary Correctional Services where he is credited with instituting numerous reforms in the prison institutions. Mr. Powon also served as the CEO Cotton Development Authority for 4 years, Director of Kenya National Standard Council for 1 year, Director Kenya Agricultural Research Institute (KARI) Matuga for 2 years and a Research Scientist for 12 years. He was in the forefront in developing policy frameworks for Agriculture sector in Kenya.</p>
 <p><b>Mr. Nelson Marwa Sospeter, EBS</b> Principal Secretary for the State Department of Devolution(January 2018-July 2018)</p>	<p><b>Mr. Nelson Marwa Sospeter, EBS</b>, was appointed the Principal Secretary for the State Department for Devolution on 26th January, 2018. Prior to his appointment; he was the immediate former Coast Regional Coordinator</p> <p>In 2015 he was conferred by President Uhuru Kenyatta with the Elder of the Order of the Burning Spear (EBS) for his sustained efforts in the war against Al Shabaab, insecurity, drug abuse and illicit brew at the Coastal Region.</p> <p>Mr. Marwa has Masters degrees in Strategic Security Management from Virginia School of Coast Guards, Australia studied Business Administration at Baraton University and Disaster Management from Israel. He had a short stint as a lecturer at Egerton University before joining the Provincial Administration.</p>
 <p><b>Ms. Margaret Osilli</b> Alternate to Principal Secretary - Devolution, Ministry of Devolution and Planning.</p>	<p>Ms Margaret Osilli is the Deputy Director Devolution. She is an accounting professional with management skills and expertise in financial management.</p> <p>Ms. Osilli is a Certified Public Accountant and holds a Certificate in Strategic Leadership Development Programme. She has over 20 years’ experience in cash management, procurement, internal, controls, budgeting, financial reporting and analysis. She possess exceptional interpersonal and management skills. She has worked for various institutions including Malaba Town Council, Busia County Council, Nairobi City Council, Kisumu City Council, and county government of Kisumu.</p>

 <p>Eng. J.O.Ogango          Director General          Up to 29<sup>th</sup> March 2018</p>	<p>Eng. John Ogango was the Director General and secretary of the Board up to 29<sup>th</sup> March 2018. He was born in 1960 and holds MSc (Engineering) degree in construction Management from University of Birmingham UK and in addition to First class Honours in BSc (Civil Eng.) from the University of Nairobi. Eng. Ogango is a seasoned engineer with over 24 years of extensive experience in areas of Strategic Planning, Policy formulation, and Design and Construction supervision management. He has held several senior positions in the public service including Chief Superintendent Engineer and Project engineer. Eng. Ogango was seconded to Kenya Rural Roads Authority initially as the General Manager (Design and Construction) and later became the General Manger (Planning, Roads 2000 and Environment).He is a registered engineer with Engineers Board of Kenya and a Member of the Institution of Engineers of Kenya (MIEK). He is trained in Corporate Governance</p>
 <p>Eng (Prof.) Oyuko Mbeche          Tertiary Institutions</p>	<p>Prof Oyuko. O Mbeche was born in 1946 and is a Civil Engineer specializing in the field of Transportation and Planning. He is a Board Member nominated by Tertiary Institutions in accordance with the provisions of the Kenya Roads Board Act 2007. Prof. Mbeche is a Member of the American Society of Civil Engineers, American Society of Engineering Education and Kenya National Academy of Sciences. He is a Nobel peace prize recipient bestowed on him by the International Panel on Climate Change (IPCC) in December, 2007. He is a Professor of Civil Engineering at the University of Nairobi and has supervised various undergraduate and postgraduate projects. He has also written many research papers on matters touching on land use, planning, transport economics and urban planning. In his work experience, he has worked as a project coordinator, team leader, and project civil/structural engineer in various government organizations.</p>
 <p>Mrs Rose Githua          Kenya Institute of Planners</p>	<p>Rose Wanjiru Githua was born in 1947. She is a Registered Physical Planner and an Environmental Impact Assessment (EIA) Lead Expert. She was nominated as a Board Member by the Kenya Institute of Planners in which she is a Corporate Member, in accordance with the provisions of the Kenya Roads Board Act 2007. In addition, she is Corporate Member of the Architectural Association of Kenya (Town Planning Chapter) and the Association of Environmental Impact Assessment and Audit serving as a Lead Expert. She is also a Member of the Environment Institute of Kenya (EIK). In her employment record, she has worked in the following capacities: Consultant in physical (spatial) planning/EIA Lead Expert (R.G Plantech Consortium), Member of Kenya National Land Use Policy in the Urban Land Use, Environment and Informal Sector(Ministry of lands and settlement) She has held the following positions in the Ministry of Lands and Settlement: Senior Assistant Director of Physical Planning , Senior Physical Planner/Provisional Physical Planner and Physical Planner</p> <p>She is been trained on the following: environmental impact assessment; introduction to urban and regional planning using Arc GIS and Arc View; participatory environmental planning; public service management programme; advanced international training programme in Stockholm Sweden; management seminar for administrative and technical officers; and inter-personal management development skills for senior women managers in the public sector.</p>



**Eng. Luka K. Kimeli**  
*P.Eng., BscHons(Civil), MBA, MIEK*  
Ag Director General  
From 30<sup>th</sup> March 2018

Eng. Luka K. Kimeli was born in 1973 and is the Acting Director General and secretary of the Board . He holds degree BSc.Hons (Civil Eng.) First class Honors from the University of Nairobi. Eng. Kimeli is a seasoned engineer with extensive experience in areas of planning, Policy formulation, and construction management. He has held several senior positions in the public service. Eng. Luka Kimeli was seconded to Kenya Rural Roads Authority initially as a Regional Manager and later became the General Manager (Maintenance).He is a registered engineer with Engineers Board of Kenya and a member of the Institution of Engineers of Kenya (MIEK). He is trained in corporate Governance and Strategic Leadership Development Programme.

**MANAGEMENT TEAM**



**Eng. Luka K. Kimeli**  
*P.Eng., BscHons, MBA, MIEK*  
**Ag Director General ( From 30<sup>th</sup> March 2018)**



**Eng. John O. Ogango**  
*P.Eng., BSc. MSc., MIEK.*  
**Former Director General (upto 29<sup>th</sup> March 2018)**



**CPA Dan M. Chamwama**  
*BCom, MBA, CPA(K)*  
**General Manager –Finance**



**Eng. Jackson K. Magondu**  
*P.Eng., M(IBL) BSc., MIEK, A(CI Arb-UK)*  
**General Manager Special Projects**



**Eng. Peter P. Gichohi**  
*P.Eng., MSc BSc., MIEK, A(CIAB)*  
**General Manager Design and Construction.**



**Eng. Enock A. Kombo**  
*P.Eng., MA(Planning), Bsc, MIEK*  
**General Manager-Planning ,Environment and  
Roads 2000**



**Eng. Julius K. Gakubia**  
*P.Eng., BSc., MIEK*  
**Ag.General Manager Maintenance**



**Eng. Alfred O. Achoki**  
*P.Eng., BSc., MIEK*  
**Manager -Quality Assurance**



**CPA Judith C. Chumo**  
*Bcom, MBA, CPA(K)*  
**Manager- Internal Audit**



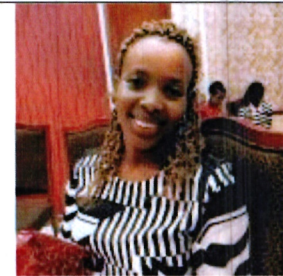
**Mr. Justin M. Rapando**  
*LLM, LLB Msc, Dip(KSL), CPS(K), M(CI Arb)*  
**Manager- Legal Affairs**



**Ms Judith A. Yamo**  
*BEd, HNDP(HRM), IHRM, MBA*  
**Manager-Human Resource & Administration**



**Mr. Kenneth W. Odhiambo**  
*Bsc(Surveying and Photogrammetry), MISK*  
**Manager- Survey**



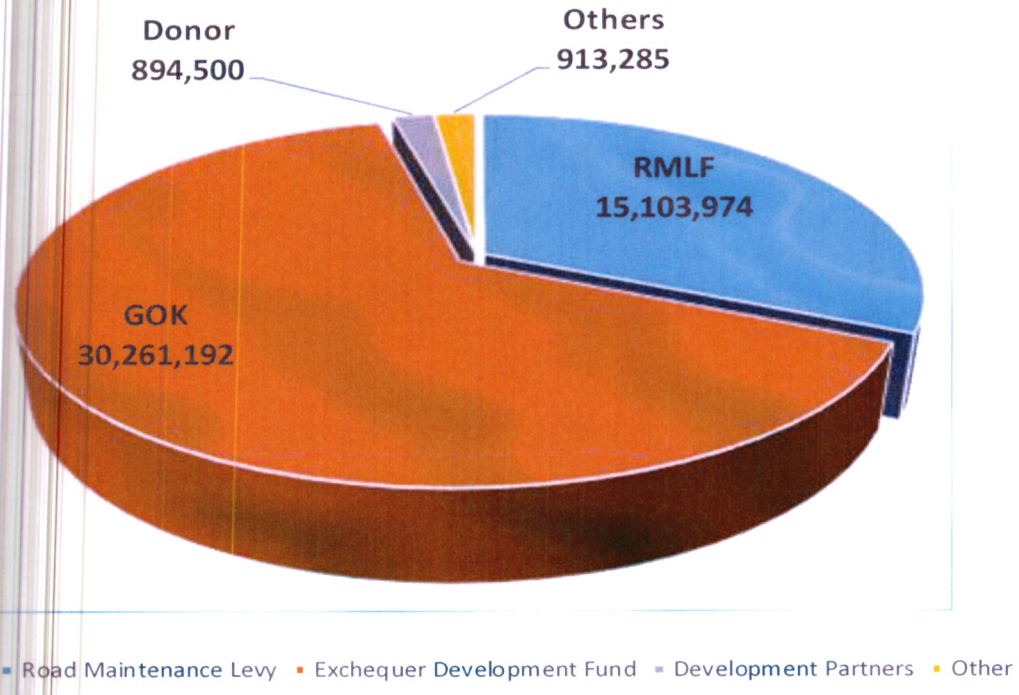
**Ms. Margaret W. Muthui**  
*Msc(Proc. & Logistics), Bsc(Computer Science), MKISM, MCIPS*  
**Manager- Procurement**



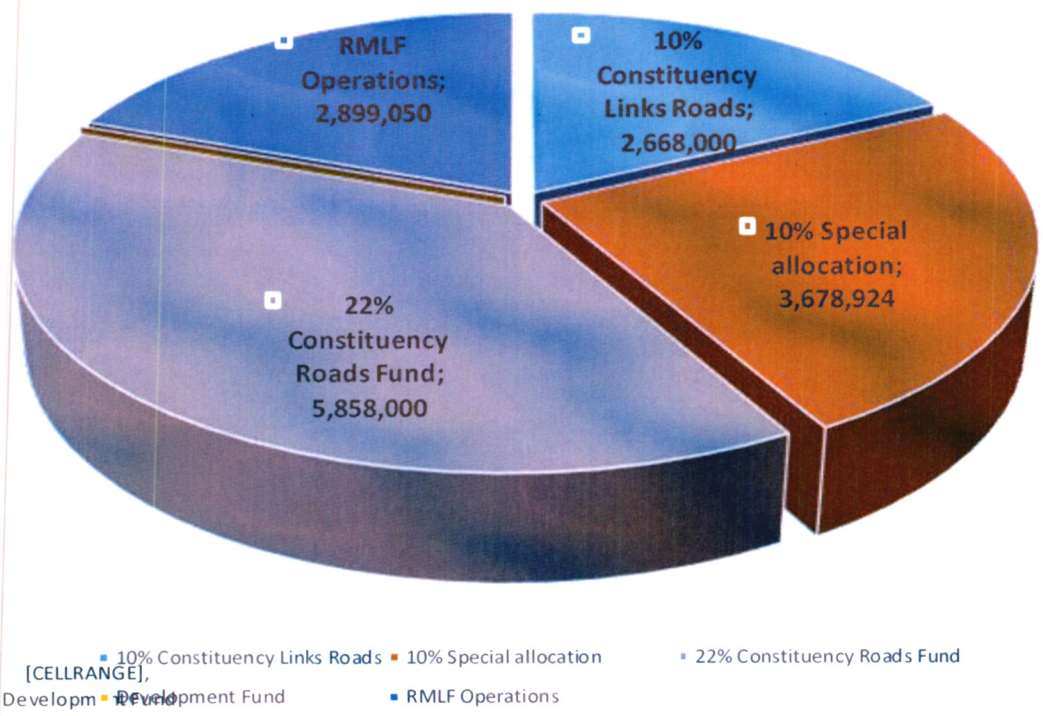
**Ms Catherine C. Butaki**  
*M.A, BA(Comm), PGD(Mass. Comm), PRSK*  
**Manager- Public relations**

**FINANCIAL HIGHLIGHTS (Ksh '000)**

**Revenues 2017-18 (Ksh '000)**

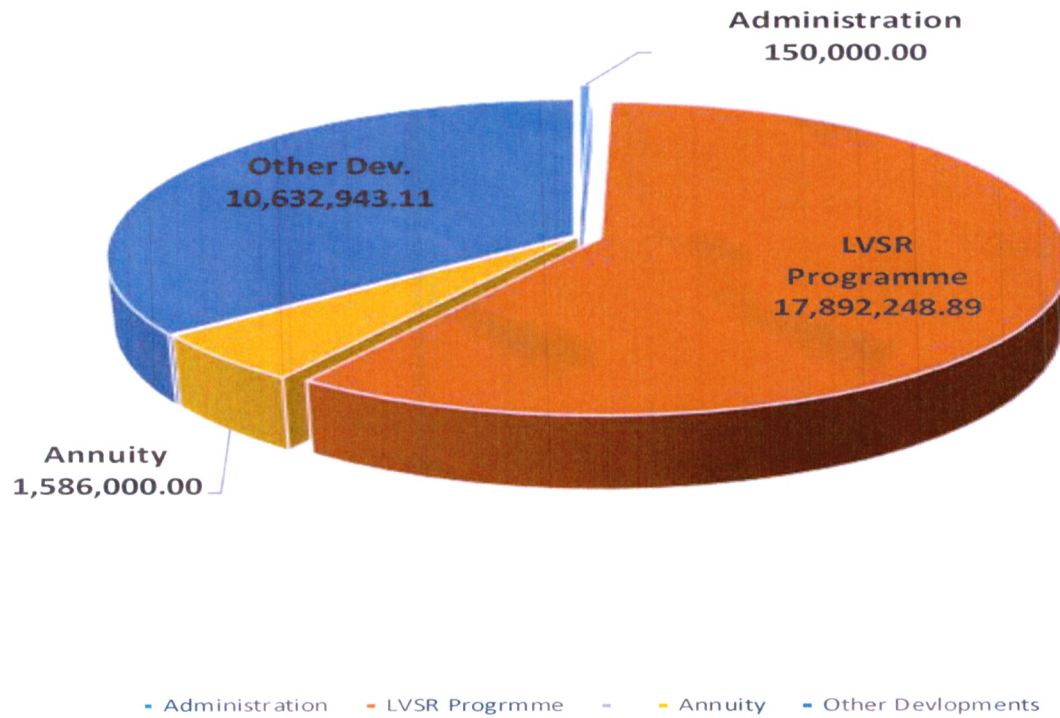


**Total Revenue: 47,172,951**



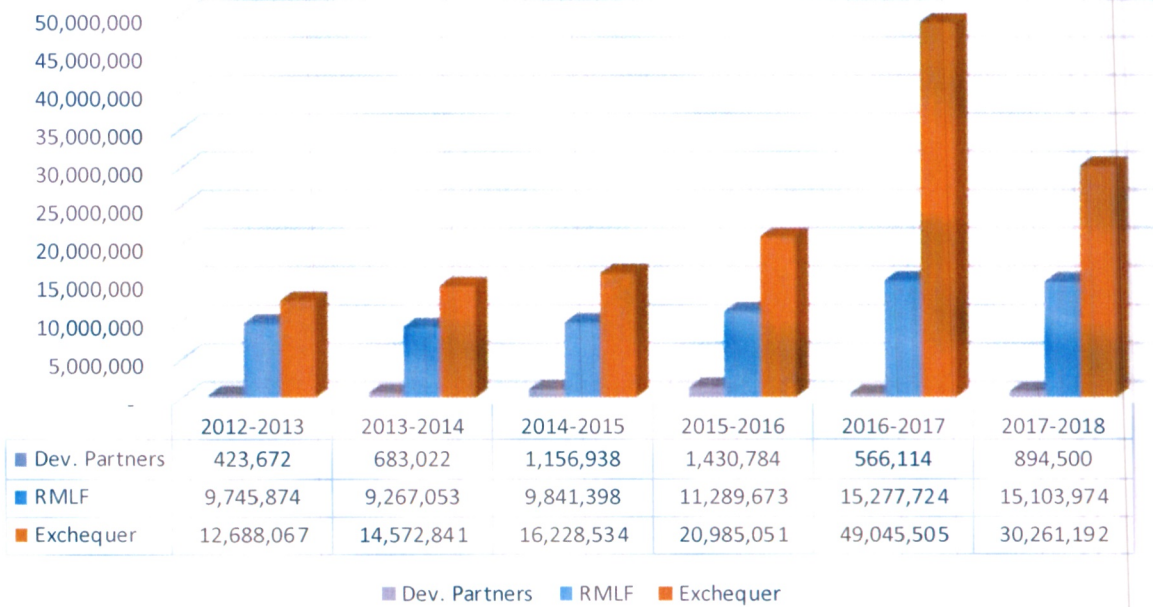
**Total RMLF: 15,103,974**

### GOK FUNDING

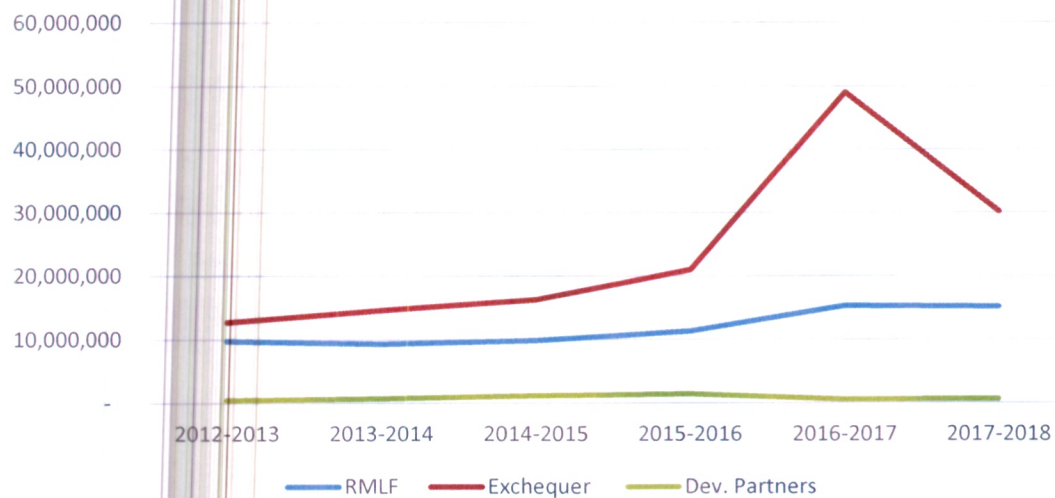


**Total Exchequer: 30,261,192**

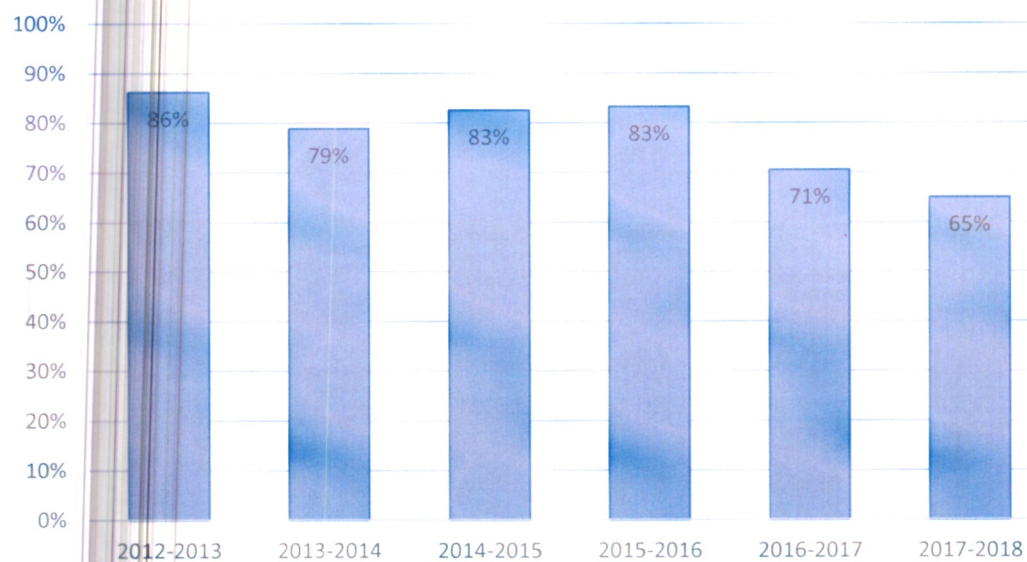
### Funding History



### Funding Trends Ksh'000



### Funds Absorption Rate



## CHAIRMAN'S STATEMENT

Infrastructure plays an important role in the economy of any country due to the nature of impact it has on the citizen's welfare and investments. The roads subsector is particularly important for its vital role in the socio economic development of a country. A high quality road network is a treasured asset for any economy and fully deserves to be managed within a well programmed strategic and policy framework.

The Board has continued to steer the Authority in the right direction creating a conducive environment that enables the management to deliver on the Authority's mandate.

The Board employs principles of good Corporate Governance in the discharge of its mandate as per the Mwongozo code of conduct and undertakes its duties in accordance with the Kenya Roads Act 2007 and best practices.

Following the reclassification of roads vide Legal Notice No 02 of 2016, the Authority has been delegated to develop, maintain and manage 19,500 kilometers of Class C roads down from 136,375 previously managed. The Authority is committed to timely execution of works to achieve the Government Development Agenda of opening up rural Kenya to increase accessibility and mobility through Roads 10,000Km Programme, Roads 2000 Programme, Maintenance Programmes and Conventional Construction approaches in performance of its duties and delivering its mandate.

The Authority continued to engage with the local leaders on prioritization of the roads to be maintained through the Constituency Roads Committees while maintaining a cordial relationship with the county governments and other stakeholders.

The Authority is in the process of reviewing its Strategic plan for the year 2018-2022. The Authority endeavors to continuously improve its operations in tandem with the established Quality Management Systems under ISO 9001:2008 and proposed to transit to ISO: 9001:2015 by the end of the FY 2018/19.

On behalf of the Board, I would like to thank the Management for their dedication to ensure smooth operations despite numerous challenges.

  
ROSE GITAU

**Director**

## REPORT OF THE DIRECTOR GENERAL



An adequate and quality road network is an important prerequisite for facilitating national and regional integration, promoting trade, economic development, contributing to poverty reduction and wealth creation and for achieving the objectives of Kenya Vision 2030 and beyond.

Over the last two decades the Roads Sub-sector has undergone tremendous reforms aimed at providing a high quality road network to support Kenya economic development.

The National Government's commitment continues to be seen through the improved budgetary allocation to the road sector. In the year under review, the Authority received a total of 45.959 Billion including Kshs. 30.11 Billion for development projects and 15.85 Billion for maintenance and spot improvement works. As a result the Authority was able to Reconstruct 67 kms of existing roads, maintain 21,600Km and construct 948 Km of New Roads in its network.

The Roads 10,000km Programme which is the Core Programme in the Authority continues to significantly impact on the livelihood of a majority of the population through reduced cost of doing business, boosting rural productivity and economic integration among counties and more so has boosted the primary growth sectors of the economy. Since its inception in 2016, the programme has one hundred and thirty five ongoing contracts covering a total of 5,651Km valued at ksh 230 Billion. As at 30<sup>th</sup> June 2018 the programme had an output of 1011 km which translates to an annual average of 505Km. This is a great improvement compared to previous achievements of 200Km a year.

Despite the notable achievements during the year, the Authority continues to experience numerous challenges which undermine the effective and efficient management of rural roads. Funding for rural roads development and maintenance remains a major challenge for the Authority based on the budgetary allocations against the Authority's resource requirements. Others include Human capital constraints, inadequacy of qualified contractors, encroachment on Road Reserves, Depletion of natural road construction materials, and Overloading by motorists among others. The Authority continues to

explore ways of mitigating the challenges through engagement with the National Government and stakeholders.

During the financial year the Authority was re-categorized from PC3A to PC 7A and Three Human Resource Instruments were approved namely :KeRRA Organizational Structure and staff Establishment ,KeRRA Human Resource Policy and Procedure Manual and Career Guidelines for the KeRRA Staff. The Authority is in the process of aligning the salary structure with the approved organizational structure.

I would further wish to express my gratitude to the board, management and staff for their support and continued effort towards fulfilling the Authority's mandate.



Eng. Luka K. Kimeli  
**Ag. Director General**

## CORPORATE GOVERNANCE STATEMENT

### Overview

The Board emphasizes on principles of good Corporate Governance in the discharge of its mandate. The positions of chairman and Chief Executive are held by different persons. The Director General is the Secretary to the Board and works closely with the Board to ensure that the Board discharges its mandate. The Board has 4 committees through which it discharges its mandate. The Board undertakes Board evaluation every year. The Board provides oversight to management who are responsible for the day to day running of the organization. The Board and management have been trained on the Mwongozo Code of Corporate Governance for State Corporations.

### Organization structure of the Authority

The Kenya Rural Roads Authority is governed by a Board of Directors as per Kenya Roads Act 2007. The day to day management of the Authority is carried out by the Director General who is also secretary to the board. The Authority carries its mandate through the following departments.

- a) Planning and Environment
- b) Design and Construction
- c) Maintenance
- d) Finance
- e) Special Projects
- f) Human Resources and administration
- g) Internal Audit
- h) Quality Assurance
- i) Information, Communication and Technology (ICT)
- j) Procurement
- k) Legal Affairs
- l) Public relations

### Appointments to the Board

Appointments to the Board are carried out pursuant to section 8 of the Kenya Roads Act 2007. The Chairman of the Board is appointed by the President of the Republic of Kenya. Members of the Board are appointed by the Cabinet Secretary, Ministry of Transport, Infrastructure, Housing & Urban Development on recommendation of the various nominating institutions provided for under the Kenya Roads Act 2007.

### Board Organisation and structure

The composition of the Board is as per the provisions of Section 8 of the Kenya Roads Act 2007. The Board is composed of representatives of relevant Government Ministries and private sector as represented by the various nominating bodies and is independent of management. The Board has set up 4 standing committees to enable it discharge its oversight role.

## The role of the Board

The role of the Board is to provide oversight to the management activities in the management of the Authority's affairs. The Board also provides strategic direction to management in the running of the Authority's affairs.

## Activities of the Board

It is the responsibility of the Chairman and the Secretary to work closely together in planning the annual program and agendas for meetings. The Board is required to meet at least four times a year and the meetings are structured to allow open discussion. All substantive agenda items have comprehensive briefing papers, which are circulated well in advance.

In addition to regular Board meetings, there are a number of other meetings to deal with specific matters. When directors are unable to attend a meeting, they are advised of the matters to be discussed and given an opportunity to make their views known to the Chairman or the Director General prior to or after the meeting.

During the period under consideration, the Board had various meetings to deliberate on issues affecting the Authority. The Board also made several site visits to inspect various projects being undertaken by the Authority. An evaluation of the Board was also carried out during the period.

## Board Effectiveness

The Board is sufficiently independent of management and performs its functions in a way to enhance Board effectiveness. To further enhance effectiveness, the directors have been trained on various issues on Corporate Governance and evaluation of the Board carried out.

### Board meeting attendance for the period 1.7.2017 - 30.6.2018

Member	14/07/2017	20/09/2017	28/09/2017	16/10/2017	24/10/2017	14/11/2017	09/12/2017	11/01/2018	08/02/2018	14/03/2018	16/03/2018	26/03/2018	12/04/2018	29/05/2018	27/06/2018
Eng. (Prof.) Oyuko Mbeche	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Rose W. Githua	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Margaret Osilli	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs Margaret Muiru OGW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Eng Francis Gitau	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

## **Board Committees**

In line with the provisions of the Kenya Roads Act 2007, the Board established four Standing Committees. These are Board Finance Committee, Board Human Resources Committee, Board Audit, Risk & Governance Committee and Board Technical Committee. The committees are provided with all necessary resources to enable them to undertake their duties in an effective manner.

### **Audit, Risk & Governance Committee**

The Board Audit Committee was established in accordance with the provisions of Treasury Circular No 16. of 25. The Board receives reports from the Audit Committee. The Internal Audit function reports directly to the Board Audit Committee and is independent of management operations.

### **Finance Committee**

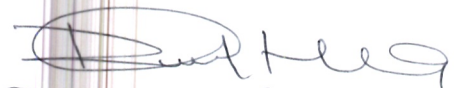
The committee meets on Quarterly basis. The committee assists the Board in its oversight role of the Authority relating to Authority's finance matters. This is as per the committees Terms of Reference.

### **Board Human Resource Committee**

The committee assists the Board in its oversight role of the Authority relating to Authority's human resource matters. This is as per the committees Terms of Reference.

### **Board Technical Committee**

The committee assists the Board in its oversight role of the Authority's function relating to the technical issues relating to the Authority's mandate. This is in terms of the design, construction and maintenance of roads under the Authority's mandate.

  
ROSE GITAU

**DIRECTOR**

## **REPORT OF THE DIRECTORS**

The directors submit their report together with the audited financial statements for the year ended 30th June 2018, in accordance with the provisions of section of the 38 of Kenya Roads Act 2007 which disclose the state of affairs of the Authority.

### **Principal activities**

The principal activity of the authority is the management, development, rehabilitation and maintenance of the Rural Road Network in Kenya classified as D, E and others.

### **Results**

The results for the Authority for the year ended 30 June 2018 are set out on page 22.

### **Directors**

The directors who held office during the year and to the date of this report are set out on page 3-7.

### **Auditors**

The Auditor General is responsible for the statutory audit of the Authority's books of account in accordance with the provisions of Article 229 of the Constitution of Kenya, Kenya Roads Act 2007 and the Public Audit Act, 2015

By order of the board



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Eng. Luka K. Kimeli  
**Secretary to the Board**

## STATEMENT OF DIRECTORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of that Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year/period and the operating results of the Authority for that year/period. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2018, and of the Authority's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.


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

### Approval of the financial statements

The Authority's financial statements were approved by the Board on 27<sup>th</sup> September 2018 and signed on its behalf by:

  
**Director General**  
Eng Luka Kimeli

  
**GM Finance**  
CPA Dan Manyasi (Mno.6407)

  
**ROSE GITAU**  
**Director**

**INDEPENDENT AUDITORS REPORT**

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON KENYA RURAL ROADS AUTHORITY FOR THE YEAR ENDED 30 JUNE 2018

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Kenya Rural Roads Authority set out on pages 22 to 53, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, the statement of changes in net assets, the 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 Kenya Rural Roads Authority as at 30 June, 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Roads Act, 2007 of the Laws of Kenya.

#### Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Rural Roads Authority in accordance with ISSAI 30 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. I have determined that there are no key audit matters to communicate in my report.

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*Report of the Auditor-General on the Financial Statements of Kenya Rural Roads Authority for the year ended 30 June 2018*

## **Other Matters**

### **1. Unresolved Prior year Audit Issues**

#### **1.1. Nugatory Expenditure**

As reported previously, the Authority incurred expenditure of Kshs. 206,341,645 on account of interest on delayed payments to 30 June 2017. A review of the current period expenditures revealed continued persistence with an amount of Kshs.6,815,467 incurred in the period bringing the total nugatory expenditure to Kshs.213,157,112. Although management explained this having been occasioned by delayed exchequer releases, no evidence of management action to deter recurrence has been rendered.

#### **1.2. Rehabilitation and Repair of Kasoiyo-Saos-Society (D350)Road**

As reported in 2016/2017, the project was awarded to a contractor at a contract sum of Kshs.818,445,018 with commencement and expected completion dates of 10 October 2012 and 10 February 2016 (revised to 10 April, 2016) respectively. Our examination of the project file and related documents revealed the following concerns:-

##### **1.2.1. Assignment of Works**

Works valued at Kshs.504,824,286 were assigned to other contractor on 28 January 2015. This is indicative of poor performance of the main Contractor.

##### **1.2.2. Delayed Project Implementation**

The latest available project progress report dated 5 August 2016 indicates overall implementation of 99.9% against contract period utilization of 130.2%. Despite the Contractor having requested for substantial project completion inspection on 13 September 2016, management had not undertaken by 30 June 2017. However, as at 30 June 2018, the project records indicate the project having been taken over on 15 April 2018 and being under defects liability period. Management has not explained the reasons for the delay in the takeover.

#### **1.3. Construction of Muranga-Gitugi and Njumbi-Mioro (E546)**

As reported in 2016/2017, the contract was awarded at a sum of Kshs.2,120,325,200 with commencement and expected completion dates of 31 July 2012 10 and 2 February, 2015 respectively. A review of the project file and the related records revealed the following unsatisfactory matters:-

##### **1.3.1. Delayed Project Delivery**

Overall project delivery was at 47% and 73%; lapsed contract period 28 and 40 months as at 30 June 2017 and 30 June 2018 respectively. This is indicative of significant delay in the project delivery and likelihood of cost escalation.

### **1.3.2. Interest on Late Payments**

Included in the project payment certificate Number 20 dated 27 June 2017 is interest on account of delayed payments totaling Kshs.7,001,678.

### **1.4. Construction of Kaptama-Kapsokwony-Sirisia (257/265) Road**

The 67 Kilometre road project traverses Kimilili, Bungoma West and Mount Elgon sub-counties of Bungoma County. The project is divided into 4 distinct road projects namely:-

- |                                       |          |
|---------------------------------------|----------|
| i. Kamukuywa- Kaptama (D285)          | 14 KM    |
| ii. Kaptama-Kapsokwony-Namwela (D275) | 40.32 KM |
| iii. Kapsokwony-Kimilili (D265)       | 8.37 KM  |
| iv. Namwela-Chwele (C42)              | 5.1 KM   |

Review of the project file and the related records revealed the following unsatisfactory matters:-

#### **1.4.1. Delayed Project Delivery**

Available information indicates that the project completion status as of 31 July 2015 was at 94% weighted average. This is despite the contract period having expired on 13 May 2010 and 61 months later than the expected completion date in the signed contract. The current project status could not be established as management did not provide information nor evidence of approval of extension of time of the contract.

#### **1.4.2. Financial Distress of the Contractor**

The project contractor is under receivership as indicated in the Daily Nation of Monday, 23 February 2015 Page 37. Consequently, the Contractor's yard including the site offices at Kamukuywa, were placed under a receiver manager and all site operations brought to a halt. Rent arrears owed to the Authority by the contractor on account of Mwatunge Camp in Taita Taveta and amounting to Kshs.3,028,125 had not been settled to date. The camp relates to a previous contract with the Authority.

#### **1.4.3. Request for Mutual Winding Up of the Contract**

The receiver manager vide Letter ref. HG/JKM/RBH/JGM/62 dated 9 July 2015 wrote to the Authority requesting for mutual winding up of the contract. This was on account of insufficient contract fund balance for the remaining works based on design specifications. In its response, the Authority on 16 July 2015 concurred and requested the resident engineer to commence on the mutual winding up of the contract, undertake a project appraisal and submit a report with recommendations by 27 July 2015. Further, the Attorney General on 1 September 2016 advised management to terminate the contract forthwith in accordance with clause 63.1 of the conditions of the contract. However as at 30 June 2018, there was no evidence of any action having taken.

From the foregoing, it has not been possible to confirm whether the public obtained value for money for the expenditure amount of Kshs.2,622,131,272 incurred on the project.

### **1.5. Construction to Bitumen Standard of Naromoru-Munyu-Karisheni Road**

As reported previously, the project scope entailed construction of four roads covering total distance of 45 Km a contract sum of Kshs.2,468,815,445. The contract commencement and expected completion dates were 1 October 2012 and 30 September 2014 respectively. The following inconsistencies were note:-

#### **1.5.1. Assignment of Works**

The main contractor assigned other contractor works valued at Kshs.2,064,537,961 and covering a distance of 39.9 KMs on 21 April 2015. This was upon the Authority approval on 9 March 2015. This is indicative of poor performance of the main Contractor and the details of the assigned roads are as follows:-

- |      |   |          |
|------|---|----------|
| i.   | Road D448 6+000 to Km 21+200 (Kirisheni)  | 15.2 Kms |
| ii.  | Road E171A Lusoi-Munyu-Kakuret            | 7.3 Kms  |
| iii. | Road RAR27 Giting'a- Kamburuaini-Sarafina | 7.3 Kms  |
| iv.  | Road RAR 29 Ibauini-Mwicwiri-Njoguini     | 10.1 Kms |

#### **1.5.2. Delayed Project Delivery**

Upon assignment, the main contractor scope was reduced to 6 Kms or 13.3%. However, as at 30 June 2017, project delivery progress stood at 72% despite being 57 months late from the expected completion time. The assigned contractor progress also stood at 71.23% as at 30 June 2017 despite being 2 months later than the contract delivery time. Overall, the combined project delivery for both contracts stood at 73.1% and 91% as at 30 June 2017 and 30 June 2018 respectively. This indicative of significantly being behind schedule and likely escalation of project costs due to delays.

### **1.6. Rehabilitation and Repair of Eldoret-Ziwa-Kachibora-Eldoret-Kabenes Road**

As reported in 2016/2017, the Project was awarded at a contract sum of Kshs.1.435,212,465 with commencement and expected completion dates of 1 September 2011 with and 1 March 2014 (later revised to 1 March 2016) respectively. Review of the project file and the related records revealed the following unsatisfactory matters:-

#### **1.6.1. Scaling Down of Works**

The contract was subsequently repackaged into three sections with new contract sum of Kshs. 2,575,110,585. This exceeded the initial contract amount by Kshs.1,139,898,120 or escalation of 79.4%. The details are as follows:-

- |      |                               |                    |
|------|-------------------------------|--------------------|
| i)   | Eldoret-Kabenes 24 Kms        | Kshs.974,301,651   |
| ii)  | Kabenes-Kachibora 31 Kms      | Kshs.1,064,762,019 |
| iii) | Moi's Bridge-Kachibora 20 Kms | Kshs.536,046,915   |

The first section was repackaged as addendum No. 2, approved by the Corporation Tender Committee on 12 September 2014 and to be completed under the initial contract. The second section was subjected to open tender and was awarded to a different contractor on 19 June 2015 at a contract sum of Kshs.1,313,914,382. The third section estimated to cost Kshs.536,046,915 and was deferred for implementation under the annuity programme.

### **1.6.2. Delayed Project Implementation**

The revised contract period lapsed on 1 March 2016, however as at 30 June 2017 the overall progress was reported at 96% with only 88.2% of the works certified.

## **1.7. Construction of Kibunja-Molo-Olenguruone Road (D316)**

The project is located in Molo, Nakuru County covering an approximate distance of 51 KMs was awarded at a contract sum of Kshs.742,290,293 and subsequently revised to Kshs.844,344,347,348. The commencement and expected completion dates were 6 August 2010 and 6 February 2016 respectively. Review of the project file and the related records revealed the following unsatisfactory matters:-

### **1.7.1. Assignment of Works**

Available information indicate that the contractor assigned works valued at Kshs.113,137,134,730 to another contractor, however the project is yet to be completed.

### **1.7.2. Delay in Project Delivery**

The latest progress report available of December 2014, indicates 67.73% physical progress. However there was no progress between then and 30 June 2017. As at 30 June 2018, the project was yet to be completed indicative of poor performance on the part of assigned contractor.

## **1.8. Construction of Sigalagala-Musoli-Sabatia-Butere Roads (D260/E390)**

As reported previously, the project in Kakamega County covering a distance of approximately 34.25 KMs was awarded at a contract sum of Kshs.1,809,465,663 on 28 March 2011. The project duration 24 months with commencement and expected completion dates of 6 June 2011 and 6 June 2013 respectively. The following concerns were noted from review of project file and related documentation:-

### **1.8.1. Assignment of Part of the Works**

The main contractor entered into an assignment agreement in December 2014, eighteen months after expiry of contract expected completion date and pursuant to clause 3.1 of the conditions of the contract. Out of the total distance, 25 KMs was assigned representing 73% of the total distance and at a contract sum of Kshs.1,113,658,598. The assignee was given an 18 months window to complete the works resulting in a total extension of time of 36 months.

### **1.8.2. Advance Payments**

As at 30 June 2017, of Kshs.180,946,566 advance payment to the main contractor only Kshs.22,808,548 had been recovered leaving out Kshs.158,138,018. The recoverability of this amount is doubtful.

### **1.8.3. Delayed Project Implementation**

Project progress report as at 30 June 2018 indicates 74.3% combined implementation progress (main contractor and assignee) against target completion date of June 2016. This was 60 and 24 months behind scheduled for the main and assigned contracts respectively.

### **1.8.4. Liquidated damages.**

Conditions of contract clause 47.1 requires the employer to deduct liquidated damages of Kshs.100,000 per day after expiry of contract period if no extension of time is granted. Management has not rendered explanations for its failure to enforce the clause or extend the contract as necessary.

## **1.9. Construction of Sigiri Bridge and Approach Roads R43-RW-C092**

As reported in 2016/2017 the contract was awarded on 5 March 2015 at a contract sum of Kshs.992,546,146. The contract period was for 18 months commencing 12 August 2015 with an expected completion date of 12 February 2017. However, the project implementation had been slow with overall progress at 81.27% as at 31 October 2017. This was despite being 7.5 months later than the expected contract completion date. There is also no evidence of project extension of time for continued implementation of work without attracting penalties. Consequently, the extension granted may not have been in accordance with the contractual terms.

As at 30 June 2018, the authority had recommended project takeover but there was no evidence of the progress on the ground.

## **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 else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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 INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

### **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 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and Those Charged with Governance**

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

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the or to cease operations, or have no realistic alternative but to do so.

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, management has 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 financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

## **Auditor-General's Responsibilities for the Audit**

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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:

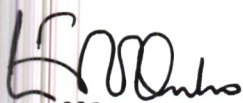
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern 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 ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Authority to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**01 August 2019**


**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2018**


**Statement of Financial Performance**

	Note	2017-2018 Shs'000	2016-2017 Shs'000
<b>REVENUE</b>			
<b>Revenue from Non Exchange Transactions</b>			
Road Maintenance Levy Fund	6	15,103,974	15,277,724
Government Grants	7	150,000	2,894,358
Development partners' Grants	8	894,500	566,114
<b>Total Revenue from Non Exchange Transactions</b>		<u>16,148,474</u>	<u>18,738,196</u>
<b>Revenue from Exchange Transactions</b>			
Finance Income	9	888,592	232,745
Other income	10	23,354	22,204
Rental Revenue	11	1,339	2,245
<b>Total Revenue from Exchange Transactions</b>		<u>913,285</u>	<u>257,194</u>
<b>Total Revenue</b>		<u><u>17,061,759</u></u>	<u><u>18,995,390</u></u>
<b>EXPENDITURE</b>			
Road Works costs	12	13,804,282	18,317,753
Directors' Costs	13	21,839	12,503
Employment Costs	14	1,675,909	1,643,412
Repairs and maintenance	15	57,743	59,132
Other Operating Costs	16	358,513	335,408
Depreciation and amortization expense	17	73,274	59,875
<b>Total Expenditure</b>		<u><u>15,991,561</u></u>	<u><u>20,428,083</u></u>
<b>Operating Surplus /deficit for the year</b>		<u>1,070,198</u>	<u>(1,432,693)</u>

The significant accounting policies on pages and the notes on pages 26 to 52 form an integral part of these financial statements.

  
Director General  
Eng Luka Kimeli

  
GM Finance  
CPA Dan Manyasi (Mno.6407)

  
ROSE GITAU  
Director


**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	Note	2017-2018 Shs'000	2016-2017 Shs'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	18	24,622,378	21,867,450
Receivables from exchange transactions	19a	20,314,024	17,148,614
Receivables from non exchange transactions	19b	9,517,569	13,909,308
Inventories	20	6,292	6,433
		<u>54,460,262</u>	<u>52,931,804</u>
<b>Non-Current Assets</b>			
Property Plant and Equipment	21	202,656	204,061
Road Infrastructure Assets	22	39,229,092	39,229,092
Capital Work In Progress	23	83,428,741	51,498,401
		<u>122,860,489</u>	<u>90,931,555</u>
<b>Total Assests</b>		<u>177,320,751</u>	<u>143,863,359</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables from exchange transactions	24	6,485,758	6,169,698
Payables from Non-Exchange transactions	24	-	5,162,058
Employee benefit obligation	25	100,282	60,253
		<u>6,586,040</u>	<u>11,392,009</u>
<b>Non Current Liabilities</b>			
Payables from exchange transactions	24	5,500,090	3,580,175
		<u>5,500,090</u>	<u>3,580,175</u>
<b>Total Liabilities</b>		<u>12,086,130</u>	<u>14,972,183</u>
<b>Net Assets</b>		<u><u>165,234,622</u></u>	<u><u>128,891,175</u></u>
<b>REPRESENTED BY:</b>			
GOK Development Fund	SCNA	164,326,764	129,053,514
Staff Mortgage Fund	SCNA	273,996	193,996
Accumulated(Deficit)/ Surplus	SCNA	633,862	(356,335)
<b>Total Net Assets and Liabilities</b>		<u><u>165,234,622</u></u>	<u><u>128,891,175</u></u>

The significant accounting policies on pages and the notes on pages 26 to 52 form an integral part of these financial statements. The financial statements on pages 26 to 52 were approved for issue by the board of directors on -----and were signed on their behalf by:

  
Director General  
Eng Luka Kimeli

  
GM Finance  
CPA Dan Manyasi (Mno.6407)

  
ROSE GITHEJA  
Director

## STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended 30 June 2018

Note	Accumulated Surplus	GOK Development Fund	Staff Mortgage Fund	Total
	Shs'000	Shs'000	Shs'000	Shs'000
<b>At 1st July 2016</b>	1,076,358	88,064,426	193,996	89,334,779
Funds received during the year	-	40,989,089	-	40,989,089
Surplus for the year	(1,432,693)	-	-	(1,432,693)
<b>At 30th June 2017</b>	<u>(356,335)</u>	<u>129,053,515</u>	<u>193,996</u>	<u>128,891,175</u>
<b>At 1st July 2017</b>	(356,335)	129,053,515	193,996	128,891,175
Funds received during the year	(80,000)	35,273,250	80,000	35,273,250
Surplus for the year	1,070,198	-	-	1,070,198
<b>At 30th June 2018</b>	<u>633,862</u>	<u>164,326,765</u>	<u>273,996</u>	<u>165,234,623</u>

The significant accounting policies on pages and the notes on pages 26 to 52 form an integral part of these financial statements.

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 30 JUNE 2018

		2017-2018 Shs'000	2016-2017 Shs'000
	Note	Shs	Shs
<b>Cash flows from operating activities</b>			
Surplus for the year		1,070,198	(1,432,693)
<i>Adjustments for:</i>			
<i>Prior Year adjustment</i>			
Depreciation of property, plant and equipment	21	73,274	59,875
Interest Income		(888,592)	(232,745)
<b>Changes in operating assets and liabilities</b>			
Receivables from exchange transactions		(3,165,411)	(10,634,208)
Receivables from non exchange transactions		4,391,739	(10,446,550)
Inventories		141	(3,026)
Payables from Non-exchange transactions		(5,162,058)	5,162,058
Payables from exchange transactions		2,235,975	4,639,421
Employee benefit obligation		40,028	2,199
<i>Net cash from operating activities</i>		<u>(1,404,705)</u>	<u>(12,885,670)</u>
<b>Cash flows from investing activities</b>			
Interest Income		888,592	232,745
Purchases of Property Plant and equipment	21	(71,869)	(100,387)
Addition in Road infrastructure assets	23	<u>(31,930,339)</u>	<u>(21,303,257)</u>
<i>Net cash used in investing activities</i>		<u>(31,113,616)</u>	<u>(21,170,899)</u>
<b>Cash flows from Financing activities</b>			
Capital Grant received		<u>35,273,250</u>	<u>40,989,089</u>
<i>Net cash used from investing activities</i>		<u>35,273,250</u>	<u>40,989,089</u>
Net increase in cash and cash equivalents		2,754,929	6,932,520
Cash and cash equivalents at start of year		<u>21,867,450</u>	<u>14,934,930</u>
Cash and cash equivalents at end of year	18	<u>24,622,378</u>	<u>21,867,450</u>

The significant accounting policies on pages and the notes on pages 26 to 52 form an integral part of these financial statements.

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

	Original Budget 2017-2018	Adjustments Shs'000	Recurrent Budget 2017-2018	Dev. Budget 2017-2018	Actual on	Actual on	Performance		Remarks	
					comparison Basis(Recurrent) 2017-2018	comparison Basis(Dev) 2017-2018	Difference 2017-2018	% Variance 2017-2018		
Annual Report and Financial Statements	Note	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000		
<b>Revenue</b>										
Road Maintenance Levy Fund	6	12,842,058	2,261,900	15,103,958	15,103,974		(15)	0%	KRB Funding	
Government Grants	7	42,241,477	(11,900,000)	150,000	30,191,477	150,000	30,111,192	80,284	0%	GoK Funding
Development partners' Grants	8	2,200,000	-	2,200,000	894,500		1,305,500	59%	Delayed Donor Disbursement	
Finance Income	9	580,000	-	580,000	888,592		(308,592)	-53%	Fixed Deposit Interest	
Other income	10	10,000	-	10,000	23,354		(13,354)	-134%	Slow uptake of Free Online Tender Documents	
Rental Revenue	11	2,200	-	2,200	1,339		861	39%	Low Occupancy Rates	
				-						
<b>Total Revenue</b>		<u>57,875,735</u>	<u>(9,638,100)</u>	<u>150,000</u>	<u>48,087,635</u>	<u>17,061,759</u>	<u>30,111,192</u>	<u>1,064,684</u>		
<b>EXPENDITURE</b>										
Road Works Costs-Maintenance	12	13,000,000	860,000	13,860,000	13,804,282	31,930,340.00	55,718	0%	RMLF	
Directors' Costs	13	26,149	-	26,149	21,839		4,310	16%	Rescheduled Training	
Employment Costs	14	1,800,000	-	1,800,000	1,675,909		124,091	7%	Approval of Recategorization in Progress	
Repairs and maintenance	15	100,000	-	100,000	57,743		42,257	42%	Cost containment of Maintenance	
Other Operating Costs	16	400,000	-	400,000	358,513		41,487	10%	Delay implementation of computer Networking	
Depreciation and amortization expense	17	-	-	-	73,274		(73,274)	0%		
<b>Total Expenditure</b>		<u>15,326,149</u>	<u>860,000</u>	<u>16,186,149</u>	<u>15,991,561</u>	<u>31,930,340</u>	<u>194,588</u>			
<b>Operating Surplus for the year</b>		<u>42,549,586</u>	<u>(10,498,100)</u>	<u>17,896,158</u>	<u>1,070,198</u>	<u>(1,819,148)</u>	<u>870,096</u>			

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT  
DISCUSSION**

1. Development Partners Grants  
Shortfall was as result in delay Donor Disbursements
2. Finance Income  
Increase fixed deposits due to increase in retentions money and transition after elections
3. Other Income  
Slow uptake of free online Tender documents from our Website.
4. Expenditure
  - i. Employments Costs -Delayed approval for the Re-categorization of the Authority by SCAC
  - ii. Maintenance Cost- General cost containment.
  - iii. Operating Expenses – Delay implementation of computer Networking

## NOTES TO THE FINANCIAL STATEMENTS

### 1. General Information

Kenya Rural Roads Authority (KeRRA) is a State Corporation established under the Kenya Roads Act 2007. The Authority is headed by a Board of Directors led by a chairman with the Director General being the Chief Executive of the Authority. The Authority is responsible for the management, development, rehabilitation and maintenance of the Rural Road network in Kenya classified as D, E and others.

### 2. Statement of compliance

The financial statements have been prepared on a historical cost basis and in accordance with and comply with International Public Sector Accounting Standards (IPSAS) issued by International Public Sector Accounting Standards Board (IPSASB), the Public Financial Management Act, 2012, Public Audit Act, 2015 and Kenya Roads Act 2007.

### 3. Adoption of new and revised Standards

#### *i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2018*

Standard	Impact
IPSAS 39: Employee Benefits	<b>Applicable: 1<sup>st</sup> January 2018</b> The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.

#### *ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2018*

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2019:</b> The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations.

#### **4. Summary of significant Accounting Policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **(a) Basis of Preparation**

The financial statements have been prepared under the historical cost convention, unless otherwise stated. The Financial Statements are presented in Kenya Shillings which is the functional and reporting currency of the Authority and all values are rounded to the nearest thousand (Ksh 000).

##### **(b) Presentation of Financial Statements**

The financial statements comprise of statement of financial performance, statement of financial position, statement of changes in net assets/reserves, the statement of cash flows and statement of comparison of budget and actual amount and the notes to the financial statements.

The Authority classifies its expenditure by the nature of expense methodology.

The disclosure on risks are presented in the financial risk management objectives and policies contained in note 5.

##### **(c) Budget Information**

The original budget for FY 2017-2018 was approved by the National Assembly in June 2017. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

The Authority's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

##### **(d) Taxation**

The Authority is an appointed tax agent for Kenya Revenue Authority with the mandate to withhold tax and remit to Kenya Revenue Authority. The withheld taxes are recognized as current liabilities until paid to the relevant Authority.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(e) Translation of foreign currencies**

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

**(f) Revenue recognition**

Revenue comprises the fair value of consideration received or receivable in the ordinary course of business. In accordance with the Kenya Roads Act 2007, revenue comprises all proceeds from the Kenya Roads Board Fund, Grants, Loans and donations from Central Government and Development partners, and such moneys, sums or assets that may accrue to the Authority. The revenue is for specified purposes including maintenance, rehabilitation and development of the rural road network in Kenya.

The Authority recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Authority.

***i) Road Maintenance Levy Fund***

Receipts from the Road Maintenance Levy Fund comprise of 32% of collections from the Road Maintenance Levy Fund administered by the Kenya Roads Board in accordance with the Kenya Roads Board act 1999.

Proceeds from the Road Maintenance Levy Fund are generally recognized in the Statement of Financial Performance on accrual basis.

***ii) Agricultural Cess***

The Agricultural Cess comprises of 80% of all monies collected as Cess in respect of tea and coffee as per Agricultural Act. The fund is administered by Kenya Roads Board. Proceeds from agricultural Cess are recognized in the Statement of Financial Performance on accrual basis.

***iii) Transfers from Government and other entities***

The Kenya Roads Act 2007 provides the Authority may receive all monies from any other source provided for or donated or lent to the Authority. Such monies are recognized as they

accrue in the period in which the transfer becomes binding at fair value, in the 'Statement of Financial Performance', unless the collectability is in doubt. The fair values can be determined by reference to the market rate.

Where a transfer is subject to conditions that if unfulfilled require a return of the transferred resources they are recognized as a liability until the condition is fulfilled.

**iv) Interest Income**

Interest income and expense, including interest income from non-derivative financial assets are recognized at fair value through the Statement of Financial Performance using the effective interest method. Interest income is accrued on a time basis and is calculated on call and fixed deposits held with approved banking institutions.

**v) Rental Income**

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

**vi) Other income**

Other income arising from sale of tenders and fees levied by the Authority is accounted for on receipt

**(g) Financial Instruments**

**(i) Financial assets**

Financial assets within the scope of IPSAS 29 are classified as financial assets at fair value through surplus or deficit, receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Authority determines the classification of its financial assets at initial recognition.

**Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Authority provides money or services directly to a debtor with no intention of trading the receivable. Receivables mainly arise from non-exchange transactions which accrue in the ordinary course of business and there is no intention of trading the receivable.

Receivables are recognized initially at the fair value. They are subsequently measured at amortized costs using the effective interest method less provision for impairment.

A provision for impairment of receivables is made when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables.

The carrying value less discounts and any impairment provision of impairment is assumed to approximate their fair values. For financial instruments such as short term receivables, no disclosure of fair value is required when the carrying amount is a reasonable approximation of fair value.

The Authority is allocated funds by the Government and Kenya Roads Board in accordance with the approved budget and allocation criteria set out in the Kenya Roads Board Act, 1999. The amounts allocated are referred to as ‘disbursements’ and are released to the Authority based on the disbursement schedule. Any amounts not released at any time are recognized as receivables.

Receivables are classified as current assets if payment is due within one year or less. If not, they are presented as non-current assets.

**(ii) Financial Liabilities**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Authority determines the classification of its financial liabilities at initial recognition.

***Payables***

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables also include payments in respect social benefits where formal agreements for specific amounts exist.

Payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The historical cost carrying amount of payables subject to the normal credit terms usually approximates fair value. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of business if longer). If not, they are presented as non-current liabilities.

**(h) Provisions**

Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting period end, taking into account the risks and uncertainties surrounding the obligation.

**Contingent Liabilities**

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

***Contingent assets***

The Authority does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more

uncertain future events not wholly within the control of the Authority in the notes to the financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs

**(i) Operating leases**

Leases of assets where a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made/received under operating leases are charged/credited to the statement of financial performance on a straight line basis over the lease period. Prepaid operating lease rentals are recognized as assets and are subsequently amortized over the lease period.

**(j) Provision for liabilities and charges**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

**(k) Property, plant and equipment**

All categories of property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system that is an integral part of the related hardware is capitalized as part of the computer equipment. All other items of property, plant and equipment are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the statement of financial performance in the year in which they are incurred.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value

Depreciation is calculated using the straight line method to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates:

	Rate - %
Buildings	2.5%
Computers	33.3%
Furniture and Fittings	12.5%
Technical Equipment	12.5%
Motor Vehicles	25.0%
Road Infrastructure Assets	-

As no parts of items of property, plant and equipment have a cost that is significant in relation to the total cost of the item, the same rate of depreciation is applied to the whole item.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating surplus.

**(l) Specialised Public Service Assets-Infrastructure Assets**

International Valuation Standards Committee defines specialized public asset as an asset, owned and/or controlled by a governmental or quasi-governmental entity, for the provision of some public service or good.

The authority deals in construction of roads infrastructure which falls in this category and constitutes part of property, plant and equipment within the meaning of IPSASs.

Like other assets, all specialized public service assets provide either service potential or future economic benefit. Service potential is a measure of the capacity of an asset to provide services or benefits to those that use that asset. Future economic benefit is a measure of the capacity of an asset to provide monetary benefits to those that hold or own that asset.

**(m) Construction contracts**

A construction contract is defined as a contract specifically negotiated for the construction of an asset. Contract costs are recognized as assets in the period in which they are incurred.

Where the outcome of a construction contract can be estimated reliably, costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its payment is considered probable.

The Authority uses the 'percentage-of-completion method' to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total

estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

Progress billings not yet paid to the contractors and retention are included within 'Payables' in the statement of financial position.

Costs incurred on maintenance contracts are charged in the statement of financial performance in the period in which they are incurred.

**(n) Impairment of Non-Financial Assets**

At each reporting period end, based on internal and external sources, the Authority reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Authority estimates the recoverable value of the asset.

Impairment losses are recognized as an expense in the Statement of Financial Performance whenever the carrying amount of an asset exceeds its recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of impairment loss is limited to the assets carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is credited to the Statement of Financial Performance in the year reversals are recognized.

**(o) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and condition is accounted for, based on purchase cost using the weighted average cost method.

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Authority

**(p) 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 various commercial banks at the end of the financial year.

**(q) Nature and purpose of reserves**

The Authority creates and maintains reserves in terms of specific requirements. The net assets are made of up of designated funds and accumulated reserve which are explained as follows:

***(i) Staff Mortgage Fund***

The Authority established independently managed staff Mortgage Scheme Funds for members of staff. The scheme is based on a minimum cash balance at the Kenya Commercial Bank account commensurate with the mortgage amount. This cash balance, built up for the scheme as a revolving fund.

There was no transfer from the accumulated surplus to the staff mortgage fund during the year

***(ii) Capital Fund***

The Authority established a Capital Fund in for the purpose of purchase of office property plant and equipment.

***(iii) Accumulated surpluses/Deficit***

Accumulated surpluses/ (deficit) represent excess operating revenue over expenditure which has accumulated over the years. These funds are available for utilization in the Authority's operations in the subsequent years.

***(iv) Development Fund***

Development fund represents the Authority's investment in infrastructure assets as funded by the exchequer development vote.

**(r) Changes in accounting policies and estimates**

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

**(s) Employee Benefits**

The Authority provides retirement benefits for its eligible employees. The Authority operates defined contributions provident fund administered by an independent administration company and trustees and which is funded by both the employee and employer.

The Authority and its employees also contribute to the statutory pension scheme, The National Social Security Funds (NSSF). Contributions are determined by the local statute. The Authority also sets aside on monthly basis the gratuity for its employees who are on contract basis.

The contributions to fund obligations for the payment of retirement benefits are charged to the statement of financial performance in the year in which they become payable.

The total expense recognized in the income statement of Shs 84.74 Million (2016-2017: Shs 109.42 Million) represents contributions payable to the plan by the Authority at rates specified in the rules of the plan. The expense has been included within the staff pension costs under staff costs.

**(t) Comparatives**

Where necessary, comparative figures have been adjusted to conform to changes in presentation of the Financial Statements as required by International Public Sector Accounting Standards and any amendment whenever necessary in the current year

**(u) Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2018.

**5. Critical Accounting Estimates, Judgements and Assumptions**

In the process of applying the Authority's accounting policies, the directors have made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the directors' knowledge of current events and actions, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**(a) Critical Judgments in Applying the Authority's Accounting Policies**

In the process of applying the Authority's accounting policies, judgments have been made in determining:

- Whether the assets are impaired;
- The classification of financial assets;
- The going concern.

**(b) Critical Accounting Estimates and Assumptions**

The key areas of judgments and sources of uncertainty in estimation are as set out below:

**(i) Contingent Liabilities**

As disclosed in these financial statements, the Authority is exposed to various contingent liabilities in the normal course of business. The directors evaluate the status of these exposures on a regular basis to assess the probability of the Authority incurring related liabilities. However, provisions are only made in the financial statements where, based on the directors' evaluation, a present obligation has been established.

**(ii) Provision for Doubtful Debts**

The Authority reviews its receivables to assess the likelihood of impairment. Provision for impairment of receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due. Where necessary, an estimation of the amounts irrecoverable is made in that year. Provision for impairment shall be recognized upon approval by the Board of Directors.

**(iii) Other Provisions**

Other provisions are recognized when the Authority has legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**(iv) Impairment Losses**

At each reporting period end, the Authority reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Authority estimates the recoverable value of the asset. Any impairment losses are recognized as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognized as income immediately.

	2017-2018 Shs'000	2016-2017 Shs'000
<b>6. Road Maintenance Levy</b>		
10% Constituency Links Roads	2,668,000	2,228,005
10% Special allocation	3,678,924	4,384,107
22% Constituency Roads Fund	5,858,000	5,365,612
RMLF Operations	2,899,050	3,300,000
Total Road Maintenance Levy	15,103,974	15,277,724

	2017-2018 Shs'000	2016-2017 Shs'000
<b>7. Other Government Grants</b>		
Development Projects	30,111,192	40,989,089
Spot Improvement Projects	-	7,856,416
Administrative funds	150,000	200,000
Total Government Grants	<u>30,261,192</u>	<u>49,045,505</u>
Deferred Income	5,162,058	(5,162,058)
Transfer to Development Fund	(35,273,250)	(40,989,089)
	<u>150,000</u>	<u>2,894,358</u>
<b>8. Development Partners Grants</b>		
European Union	467,722	294,272
L'Agence Française de Développement(AFD)	74,642	232,473
German Development Bank(KFW)	352,136	39,369
Total Development Partners'Grants	<u>894,500</u>	<u>566,114</u>
<b>9. Finance Income</b>		
Interest from fixed deposits	888,592	232,745
Total Finance income	<u>888,592</u>	<u>232,628</u>
<b>10. Other Income</b>		
Receipts from sale of tenders	12,408	22,084
Other Levies	1,572	120
Total other income	<u>13,980</u>	<u>22,204</u>
<b>11. Rental Revenue</b>		
Receipts from operating lease rental	1,339	2,245
Total Rental revenue	<u>1,339</u>	<u>2,245</u>

	2017-2018 Shs'000	2016-2017 Shs'000
<b>12. Road Works Expenditure</b>		
RMLF 10%-Constituency Link Roads	2,392,609	2,755,759
RMLF 22%-Constituency Roads Fund	3,432,840	6,048,653
RMLF 10%-Special Allocation	3,625,493	3,665,457
Donor Funded Projects	988,027	795,978
GoK Spot Improvement Funds	3,023,913	4,921,345
Coffee Cess	1,423	130,561
Equilisation Fund	337,253	-
<b>Total Road Works Expenses</b>	<u>13,801,556</u>	<u>18,317,753</u>
<b>13. Directors' Costs</b>		
<b>a.Executive Directors</b>		
Emoluments	<u>7,149</u>	<u>7,215</u>
	<u>7,149</u>	<u>7,215</u>
<b>b.Non Executive Directors</b>		
Emoluments	-	4,224
Training and field activities	<u>14,691</u>	<u>1,064</u>
	<u>-</u>	<u>5,288</u>
<b>Total Directors Costs</b>	<u>21,839</u>	<u>12,503</u>
<b>14. Employment Costs</b>		
Salaries and Wages	1,137,369	1,171,315
Pension and Gratuity costs	84,742	109,420
Medical and Insurance	113,034	106,243
Training and Development	136,500	55,685
Travelling and accomodation	170,655	178,348
Other Staff welfare costs	<u>33,609</u>	<u>22,401</u>
<b>Total employment Costs</b>	<u>1,675,909</u>	<u>1,643,412</u>
<b>15. Repairs and maintenance</b>		
Office building	12,345	9,153
Furniture and equipment	13,775	12,126
Motor vehicles	<u>31,623</u>	<u>37,853</u>
<b>Total Repairs and Maintenance</b>	<u>57,743</u>	<u>59,132</u>

	<b>2017-2018</b> <b>Shs'000</b>	<b>2016-2017</b> <b>Shs'000</b>
<b>16. Other Operating Expenses</b>		
Public relations and Corporate affairs	7,066	4,038
Audit Fees	3,000	3,000
Advertisement and publicity	38,875	5,380
Rent and Rates	57,115	80,229
Electricity and Water	10,039	6,729
Cleaning and sanitation	6,301	4,721
Fuel and other vehicle running expenses	52,836	51,961
Security	44,225	46,868
Consultancies	6,669	6,499
Legal Fees	5,979	1,510
Printing and Stationery	29,674	34,898
CRC and tender evaluation Expenses	49,950	56,580
Telephone, Internet and Postage	37,452	23,960
Bank Charges	3,493	3,498
Office expenses	5,839	5,537
<b>Total Other Operating expenses</b>	<u>358,513</u>	<u>335,408</u>
<b>17. Depreciation and Amortization</b>		
Property Plant and equipment	<u>73,274</u>	<u>59,851</u>
<b>Total Depreciation Expense</b>	<u>73,274</u>	<u>59,851</u>
<b>18. Cash and cash equivalents</b>		
These represent cash held at various banks, as follows:		
Cash in hand and Bank	21,537,467	10,596,098
Staff mortgage Fund	45,117	45,864
Fixed term deposits	<u>3,039,794</u>	<u>11,225,488</u>
<b>Total Cash and Cash equivalents</b>	<u>24,622,378</u>	<u>21,867,450</u>
The cash and bank balances as the funds are held with sound financial institutions approved by Central Bank of Kenya as follows:		
KCB Bank Kenya limited	23,564,036	21,381,917
Equity Bank Kenya Limited	114,626	48,789
Cooperative Bank Kenya Limited	474,856	181,272
NIC Bank Kenya Limited	467,952	241,609
Cash in Hand	907	13,862
<b>Total cash in hand and bank</b>	<u>24,622,378</u>	<u>21,867,450</u>

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months

	2017-2018 Shs'000	2016-2017 Shs'000
<b>19. Receivables</b>		
<b>a) Receivables from Exchange transactions</b>		
Contractors advances	20,314,024	17,148,614
<b>Total Receivables from Exchange transactions</b>	<u>20,314,024</u>	<u>17,148,614</u>
<b>b) Receivables from Non Exchange transactions</b>		
Advances to Staff	31,109	2,483
Deposits and Prepayments	27,047	152,589
Other Receivables	9,459,413	13,754,236
<b>Total Receivables from Non Exchange transactions</b>	<u>9,517,569</u>	<u>13,909,308</u>
<b>Total receivables</b>	<u>29,831,594</u>	<u>31,057,922</u>

Receivables constitute short term liquid assets which are recoverable within one year. Grants receivable represent development grants due from the National Government (Kshs 9.447 Billion, (2016-2017: Ksh 13.754 billion). The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Authority does not hold any collateral as security. The aged analysis of receivables is as follows:

	2017-2018 Shs'000	2016-2017 Shs'000
<b>20. Inventories</b>		
Consumable stores	6,292	6,433
<b>Total Inventories</b>	<u>6,292</u>	<u>6,433</u>

**21. Property Plant and equipment**

	<b>Building</b>	<b>Furniture and Fittings</b>	<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>Computers and Software</b>	<b>Plant and Machinery</b>	<b>Total</b>
<b>Year ended 30 June 2018</b>	<b>Shs'000</b>	<b>Shs'000</b>	<b>Shs'000</b>	<b>Shs'000</b>	<b>Shs'000</b>	<b>Shs'000</b>	<b>Shs'000</b>
<b>Cost</b>							
At 1st July 2017	90,263	122,358	380,160	31,587	89,985	52,853	767,207
Additions	<u>2,915</u>	<u>7,602</u>	<u>41,600</u>	<u>1,812</u>	<u>17,940</u>	<u>-</u>	<u>71,869</u>
At 30 June 2018	<u>93,178</u>	<u>129,960</u>	<u>421,760</u>	<u>33,399</u>	<u>107,926</u>	<u>52,853</u>	<u>839,076</u>
<b>Depreciation</b>							
At 1st July 2017	11,712	97,133	320,910	18,463	70,001	44,926	563,145
Charge for the year	<u>2,329</u>	<u>14,845</u>	<u>30,150</u>	<u>4,103</u>	<u>15,239.69</u>	<u>6,607</u>	<u>73,274</u>
At 30 June 2018	<u>14,042</u>	<u>111,978</u>	<u>351,060</u>	<u>22,566</u>	<u>85,241</u>	<u>51,532</u>	<u>636,420</u>
<b>Net Book Value</b>							
At 30 June 2018	<u>79,137</u>	<u>17,982</u>	<u>70,700</u>	<u>10,832</u>	<u>22,685</u>	<u>1,321</u>	<u>202,656</u>

The gross carrying amount of fully depreciated property, plant and equipment amounted to Kshs 442,564,472

**Property Plant and equipment**

	<b>Building</b>	<b>Furniture and Fittings</b>	<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>Computers and Software</b>	<b>Plant and Machinery</b>	<b>Total</b>
<b>Year ended 30 June 2017</b>	<b>Shs'000</b>	<b>Shs'000</b>	<b>Shs'000</b>	<b>Shs'000</b>	<b>Shs'000</b>	<b>Shs'000</b>	<b>Shs'000</b>
<b>Cost</b>							
At 1st July 2016	87,667	117,605	301,160	26,954	81,062	52,371	666,820
Additions	<u>2,596</u>	<u>4,754</u>	<u>79,000</u>	<u>4,633</u>	<u>8,923</u>	<u>482</u>	<u>100,387</u>
At 30th June 2017	<u>90,263</u>	<u>122,358</u>	<u>380,160</u>	<u>31,587</u>	<u>89,985</u>	<u>52,853</u>	<u>767,207</u>
<b>Depreciation</b>							
At 1st July 2016	9,456	81,838	301,160	14,515	57,983	38,319	503,271
Charge for the year	<u>2,257</u>	<u>15,295</u>	<u>19,750</u>	<u>3,948</u>	<u>12,018</u>	<u>6,607</u>	<u>59,875</u>
At 30th June 2017	<u>11,712</u>	<u>97,133</u>	<u>320,910</u>	<u>18,463</u>	<u>70,001</u>	<u>44,926</u>	<u>563,145</u>
<b>Net Book Value</b>							
At 30th June 2017	<u>78,551</u>	<u>25,226</u>	<u>59,250</u>	<u>13,124</u>	<u>19,984</u>	<u>7,927</u>	<u>204,061</u>

The gross carrying amount of fully depreciated property, plant and equipment amounted to Kshs 358,337,943

	2017-2018 Shs'000	2016-2017 Shs'000
<b>22. Road Infrastructure Assets</b>		
At 1st July	39,229,092	39,229,092
Transfer from work in progress	-	-
	<u>39,229,092</u>	<u>39,229,092</u>
<b>23. Capital Work In Progress</b>		
At 1st July	51,498,401	30,195,144
Additions	31,930,340	21,303,257
Transfer to Road Infrastructure Asset	-	-
	<u>83,428,741</u>	<u>51,498,401</u>
<b>24. Payables</b>		
<b>(a) Exchange Transactions</b>		
<b>Current:</b>		
Due to Contractors	6,014,646	5,614,780
Other Trade payables	318,565	272,223
Staff Creditors	5,784	16,830
Other Payables	146,765	265,865
<b>Total current</b>	<u>6,485,758</u>	<u>6,169,698</u>
<b>Non Current:</b>		
Contract Retention	5,500,090	3,580,175
<b>Total Non Current</b>	<u>5,500,090</u>	<u>3,580,175</u>
	<u>11,985,848</u>	<u>9,749,873</u>
<b>(b) Non-Exchange Transactions</b>		
Due to KeNHA/KURA	-	1,495,333
Deferred Income	-	3,666,725
	<u>-</u>	<u>5,162,058</u>
	<u>11,985,848</u>	<u>14,911,930</u>

Current trade and other payables are expected to be settled in Authority's normal operating cycle and within twelve months after the reporting period and are not attached to an unconditional right to defer payment of the liability.

## 25. Employee Benefit obligations

	<b>Gratuity</b> <b>Ksh'000</b>	<b>Pension costs</b> <b>Ksh'000</b>	<b>Total</b> <b>Ksh'000</b>
As at 1st July 2017	12,160	48,093	60,253
Additional Provisions	4,962	35,066.26	40,028
Provision utilised	-	-	-
<b>As at 30th June 2018</b>	<u>17,122</u>	<u>83,159</u>	<u>100,282</u>

## 26. Financial risk management objectives and policies

The Authority has an integrated risk management framework/ strategy. The Authority's approach to risk management is based on risk governance structures, risk management policies, risk identification, measurement, monitoring and reporting. The risk management policies and systems are reviewed regularly to ensure they are in tandem with the micro and macro environment, regulatory guidelines, industry practice, market conditions as well as the services offered.

The Authority recognizes the critical role the risk management will continue to play in its endeavor to carry out its business in a dynamic environment. The Board is committed to ensure that corporate governance and risk management are deeply entrenched in the Authority's strategy and culture. An elaborate risk management strategy that will provide direction on matters of policy and guide the implementation and control has been developed.

The Authority core business involves major engagements with financial transactions and processes which pose certain risks. Three types of risks are reported as part of the risk profile namely operational, strategic and business continuity risks.

- (i) **Operational risks** are events, hazards, variances or opportunities which could influence the achievement of the Board's compliance and operational objectives.
- (ii) **Strategic risk** is a significant unexpected or unpredictable change or outcome beyond what was factored into the organization's strategy and business model which could have an impact on the entity's performance.
- (iii) **Business continuity risks** are those events, hazards, variances and opportunities which could influence the continuity of the entity.

The Members of the Board have the overall responsibility for the establishment and oversight of the Authority's risk management framework. The Authority has delegated its risk management to the Audit and Risk Committee. One of the responsibilities of this committee is to review risk management strategies to ensure that an effective efficient and transparent system of risk management is maintained for sustainable management of the Authority.

The Authority's exposure to risks, its objectives, policies and processes for managing the risk and the methods used to measure it have been consistently applied in the years presented, unless otherwise stated. The Authority aims therefore to achieve an appropriate balance between the risk and return and minimize potential adverse effects on its financial performance.

The financial management objectives and policies are as outlined below:

***a) Liquidity Risk***

Liquidity risk is the risk that the Authority will not have sufficient financial resources to meet its obligations when they fall due or will have to do so at excessive costs. This risk can arise from mismatches in the timing of cash flows from revenue and capital/ operational outflows, assets and liabilities according to their maturity profiles and can occur where cash flow streams have been discontinued, etc. Funding risk arises when the necessary liquidity to fund illiquid asset positions cannot be met at expected terms and when required.

The objective of the liquidity and funding management is to ensure that all foreseeable operational and capital commitment expenditure can be met under both normal and stressed conditions and the mismatch is controlled in line with allowable risk levels.

The Authority's has adopted an overall balance sheet approach which consolidates all sources and uses of liquidity, while aiming to maintain a balance between liquidity, cash flows and interest rate considerations. The Authority's liquidity and funding management process includes:

- Projecting cash flows and considering the cash required and optimizing the short term requirements as well as the long term funding, maintaining balance sheet liquidity ratios,
  - Maintaining/soliciting for a diverse range of funding sources with adequate back up facilities,
- The Authority has an established corporate governance structure and process of managing risks regarding guarantees and contingent liabilities.

The primary sources of revenue for the Authority are receipts from the Kenya Roads Board, mainly receipts from Road Maintenance Levy Fund, and Grants from the central Government and Development Partners.

The table below summarizes the maturity analysis for financial liabilities to their remaining contractual maturities

**Year Ended 30 June 2018**

	Less Than 1Month	Between 1-3 Months	Between 3-12 Months	Over One Year
Due to contractors			6,014,646	
Other Trade Payables	-	318,565	-	-
Staff Creditors	-	5,784	-	-
Contract Retention	-	-	-	5,500,090
Deferred Income	-	-	-	-
Other Payables	-	146,765	-	-
	<u>-</u>	<u>471,113.69</u>	<u>6,014,646</u>	<u>5,500,090</u>

**Year Ended 30 June 2017**

	Less Than 1Month	Between 1-3 Months	Between 3-12 Months	Over One Year
Due to contractors			1,652,211.00	
Other Trade Payables	-	137,286.00	-	-
Staff Creditors	-	-	14,774.00	-
Contract Retention	-	-	-	2,522,976.00
Deferred Income	-	-	-	-
Other Payables	-	138,452.00	-	-
	<u>-</u>	<u>275,738.00</u>	<u>1,666,985.00</u>	<u>2,522,976.00</u>

**b) Market Risk**

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates, prices and interest rates. The objective of market risk management policy is to protect and enhance the Statements of Financial Position and performance by managing and controlling market risk exposures within acceptable parameters, and to optimize the funding of business operations and facilitate capital expansion. The Authority is exposed to the following market risks:

**(i) Currency Risk**

The currency risk is minimal as most of cash and cash equivalents held with banks are dominated in Kenya Shillings.

**(ii) Price Risk**

Kenya Roads Board collects Kshs. 18 per litre of diesel and petrol imported into the country, 32% of which is disbursed to the Authority. The Authority is exposed to the extent that the levy on diesel and petrol is reduced or eliminated due to changes in the international fuel prices, inflation or other macro indicators.

The Road Maintenance Levy Fund is backed up by an Act of Parliament and changes thereof require approval by Parliament.

**(iii) Interest Rate Risk**

The Authority's financial condition may be adversely affected as a result of changes in interest rate levels. The interest rate risk is minimal as the Authority does not have any borrowings.

**c) Credit Risk**

The maximum exposure of the Authority to credit risk as at the balance sheet date is as follows:

**Year Ended 30 June 2018**

	Fully Performing	Past Due Date but not Impaired	Past Due Date and impaired	Total
Advances to Staff	31,109			31,109
Contractors advances	20,314,024			20,314,024
Deposits and Prepayments	27,047			27,047
Other Receivables	9,459,413			9,459,413
Cash at Bank	24,622,378			24,622,378
	<b>54,453,971</b>	<b>-</b>	<b>-</b>	<b>54,453,971</b>

**Year Ended 30 June 2017**

	Fully Performing	Past Due Date but not Impaired	Past Due Date and impaired	Total
Advances to Staff	2,483			2,483
Contractors advances	17,148,614			17,148,614
Deposits and Prepayments	13,754,236			13,754,236
Other Receivables	152,589			152,589
Cash at Bank	21,867,450			21,867,450
	<b>52,925,372</b>	<b>-</b>	<b>-</b>	<b>52,925,372</b>

**c) Operational Risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Authority's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as legal and regulatory requirements and generally acceptable standards of corporate behavior.

The Authority seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify, assess, monitor and report such risks.

The Authority's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Authority's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. The responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- (i) Requirements for appropriate segregation of duties, including the independent authorization of transactions;
- (ii) Requirements for the reconciliation and monitoring of financial transactions;
- (iii) Compliance with regulatory and legal requirements;
- (iv) Documentation of controls and procedures;
- (v) Requirements for the yearly assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified;
- (vi) Requirement for the reporting of operational losses and proposed remedial action;
- (vii) Training and professional development;
- (viii) Ethical and business standards; and
- (ix) Risk mitigation, including insurance where it is effective.

Operational risks are managed by the Internal Audit function established to spearhead and coordinate risk management activities. The measures taken include proactively identifying, analyzing and mitigating risks in all facets of the business.

#### **d) Compliance and Regulatory Risk**

Compliance and regulatory risk includes the risk of non-compliance with regulatory requirements. The Authority has complied with all externally imposed requirements throughout the year.

#### **e) Legal Risk**

Legal risks is the risk of unexpected loss, including reputational loss, arising from defective transactions or contracts, claims being made or some other event resulting in a liability or the loss for the authority, failure to protect the title to and inability to control the rights to assets of the Authority (including intellectual property right), changes in law, or jurisdictional risk.

The Authority manages legal risk through the legal function, legal risk policies and procedures and the effective use of internal controls and external lawyers.

## 27. Related Parties Balances and Transactions

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

### (a) Related party transactions

The following transactions were carried out with related parties during the year.

	2017-2018 Shs'000	2016-2017 Shs'000
<b>(i) Receipt and Transfers</b>		
The Government of Kenya	30,261,192	49,045,505
Kenya Roads Board	15,103,974	15,277,724
	<u>45,365,166</u>	<u>64,323,229</u>
<b>(ii) Directors Emoluments</b>		
Emoluments -Executive directors	7,149	7,215
Emoluments - Non Executive directors	-	4,224
Training and filed activities	14,691	1,064
	<u>21,839</u>	<u>12,503</u>

### (b) Outstanding balances arising from non-exchange transactions

The following were outstanding balances with related parties as at 30<sup>th</sup> June 2018

	2017-2018 Shs'000	2016-2017 Shs'000
The following were outstanding balances with related parties as at 30 <sup>th</sup> June 2018		
Receivable from related parties	<u>9,412,599</u>	<u>13,754,236</u>
Payable to related parties	<u>-</u>	<u>-</u>
Receivables from related parties can be analysed as follows:		
The Government of Kenya	9,412,599	13,754,236
Kenya Roads Board	-	-
Key management personnel	-	-
	<u>9,412,599</u>	<u>13,754,236</u>
Payables to related parties can be analysed as follows:		
Key management personnel	<u>-</u>	<u>-</u>

**28. Contingent Assets and liabilities**

**(i) Contingent Liabilities**

Due to the uncertainty of the outcome of our Legal cases, it is not practically possible to estimate the resulting liabilities and the effect they are likely to have on the results of the Authority's operations, financial position or liquidity. Therefore no provision has been made in the financial statements.

	<b>2017-2018</b> <b>Shs'000</b>	<b>2016-2017</b> <b>Shs'000</b>
<b>(ii) Contingent assets</b>		
<b>Contingent Assets</b>		
Advance Guarantees	16,430,148,498	17,227,456
Performance Guarantee	19,362,214,841	-
	<u>35,792,363,339</u>	<u>17,227,456</u>

**29. Capital Commitments**

Authorised and contracted for

-	-
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	<b>2017-2018</b> <b>Shs'000</b>	<b>2016-2017</b> <b>Shs'000</b>
Non-cancellable operating lease rentals are payable as follows:		
Within one year	25,496	25,496
Later than one year but within five years	33,144	58,640
	<u>58,640</u>	<u>84,135</u>

The Authority has leased office premises under an operating lease. The lease typically runs for 5 years with an option for renewal. Lease payments are increased accordingly to reflect market rentals. The Authority does not have an option to purchase the leased asset at the expiry of the lease period. There are no contingent rents recognized in the Statement of Financial Performance.

**30. Reconciliation of surplus as per Budget statement and statement of financial performance**

	<b>2017-2018</b>
	<b>Shs'000</b>
Surplus as per statement of Budget and Actual amounts	31,181,390
Add: Transfer of Roadwork Costs to Infrast	-
Less: Transfer to Development Fund	(35,273,250)
Add: Transfer from Deferred Income	<u>5,162,058</u>
<b>Surplus(Deficit) as per Statement of financial performance</b>	<b><u>1,070,198</u></b>

**31. Fair value**

The directors consider that there is no material difference between the fair value and carrying value of the Authority's financial assets and liabilities, where fair value details have not been presented.

**32. Currency**

The financial statements are presented in Kenya Shillings (Kshs.'000).

## APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITORS RECOMMENDATIONS

The following is the summary of issues that resulted in a qualified opinion of the external auditor on the financial statements for the year 2016/17, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Ref. No on Audit Report	Issue / Observation by the Auditor	Management Comments	Focal Person to resolve the Issue	Status: Resolved or not Resolved	Time frame
1	<p><b>Nugatory Expenditure</b> Authority had incurred a total of ksh 202,088,241 to pay interest on delayed payment and a further amount of ksh 4,253,404.04 2016/17 . Total Nugatory Expenditure of ksh 206,341,645.04</p>	This was occasioned by delayed exchequer releases			
2	<p><b>Rehabilitation and Repair of Kasoiyo-Saos-Society (D350) Road</b> The Project was awarded to Bridgestone Construction Company Ltd at contract sum of ksh 818,445,018 and commenced on 10<sup>th</sup> October 2012 with expected completion as 10<sup>th</sup> February 2016 revised to April 2016</p> <p><b>2.1 Assignment of works</b> Project File revealed assignment of works valued at ksh 504,824,286 to Guangxi Hydroelectric Construction Bureau on the 28<sup>th</sup> January 2015.</p> <p><b>2.2 Delayed implementation.</b> The latest Progress report for 5 August 2016 showed the overall progress achieved was 99.91 against a lapse time of 130.2% of contract period Although contractor requested for substantial completion inspection on the 13<sup>th</sup> Septmeber 2017. This had not been undertaken at the time of the Audit</p>				
3	<p><b>Contruction of Muranga-Gitugi(D427) and Njumbi –Mioro (E546)</b></p> <p><b>3.1 Delayed Project Delivery</b> Overall Project progress as at June 2017 was 47.23% against contract lapse period of 196.43% . This indicates the project is far behind schedule which could lead to cost escalation.</p> <p><b>3.2 Interest on late payment</b> Certificate No 20 dated 27<sup>th</sup> June 2017 Indicated that interest on delayed payments totalling ksh 7,001,678 had been incurred.</p>				

4.	<p><b>Construction of Kaptama-Kpsokwony-Sirisia-Contract No RWC 023</b>  <b>The Project is divided into 4 distinct portions with total length of 67Km</b>  <b>4.1 Delayed Project Delivery</b>                  The contract Commenced on 22June 2007 with contract period of 35 Months to end 13 May 2010. Latest progress availed during audit for 31 July 2015 revealed a progress of 94% and there was no evidence of extension of time. During the year management did not avail information of the current status of the project.</p> <p><b>4.2 Financial Distress b the Contractor.</b>                  Contractor KSL International was put under receivership as indicated on the Daily Nation Monday 23 February 2015 page 37. Site Office at Kamkuywa was placed under Receiver Manager and site operations halted. The contractor has been unable to settle rent arrears owed to the Authority amounting to ksh 3,028,125. For Mwatunge Camp in Taita Taveta which was in a previous contract.</p> <p><b>4.3 Request for Mutual Winding Up of the Contract</b>                  The Receiver Manager vide Letter ref HG/JKM/RBH/JGM/62 dated 9<sup>th</sup> July 2015 requested for mutual Widing Up. Further , the Attorney General in a letter Ref:AG/ CONF/21/6/12 VOL1(7) dated 1<sup>st</sup> September 2016 advised the management to terminate the contract forthwith in accordance with clasues 63.1 of the conditions of contract but there was no evidence to show action taken so far at the time of the audit. In the circumstances it is not possible to confirm whether the public obtained value for money for expenditure of ksh 2,622,131,272 already incurred. Matter sill unresolved in 2016/17</p>				
5.0	<p><b>Construction to Bitumen Standard of Naromoru-Munyu-Karisheni Road Contract NO RWC 040</b>                  The project scope was construction of four roads with total length os 45.9Km and was awarded to M/S Kirinyanga Construction (K) Limited at a contract sum of ksh 2,468,815,445 and commenced on 1<sup>st</sup> October 2012 with completion date of 30<sup>th</sup> September 2014.</p> <p><b>5.1Assignment</b>  <b>The contractor entered into agreement with East Africa Development Engineeering Trading Co. Ltd to assigne the latter parts of the works total 39.9Km</b></p> <p><b>5.2 Delayed Project Delivery</b>  <b>The combinedoverall progress as at 30 june 2017 was 73.1% Therefore the project was behind schedule.</b></p>				

6.0	<p><b>Rehabilitation and Repair of Eldoret –Ziwa-Kachibora-Eldoret – Kabanenes Road</b></p>				
	<p>The project was awarded to M/S Kimilili Hauliers at contract sum of ksh 1,435,212,465 and commenced on 1<sup>st</sup> September 2011 with expected date of completion as at 1<sup>st</sup> March 2014 which was revised to 1<sup>st</sup> March 2016.</p>				
	<p><b>6.1 Scaling down of works</b></p>				
	<p>The initial contract was repackaged into three components as follows:</p>				
	<p>i)Eldoret-Kabaenes 24KM –Ksh 974,301,651</p>				
	<p>ii)Kabenenes-Kachibora 31KM-ksh 1,064,762,019.00</p>				
	<p>iii)Moi’s Bridge Kachibora-20KM ksh 536,046,915.00</p>				
	<p>1<sup>st</sup> Section repackaged as addendum No2 which was approved by the CTC on 12<sup>th</sup> September 2014 and is completed under the current contract. The second section was subjected to open tender and awarded to M/S China International Cooperation on 19<sup>th</sup> June 2015 at a contract sum of ksh 1,313,914,382. The Third Section is estimated to cost ksh 536,046,915 and will be implemented through an annuity programme.</p>				
	<p>This repackaging of works brings up the contract sum from an original price of ksh 1,435,212,465 to ksh 2,575,110,585.00</p>				
	<p><b>6.2 Delayed Project Implementation</b></p>				
	<p>The revised contract period lapsed on 1<sup>st</sup> march 2016 but the latest progress reported dated 30<sup>th</sup> June 2017 showed overall progress was at 96% with only 88.2% certified.</p>				
	<p>The project is behind schedule which could lead to cost overruns.</p>				
	<p><b>7.0</b></p>				
	<p><b>Contrauction of Kibunja-Molo-Olenguruone Road(D316)</b></p>				
	<p>The project was awarded to Kimili Hauliers at contract sum of ksh 742,290,293 revised to ksh 844,344,348.00 and commenced on 6<sup>th</sup> August 2010 with expected date of completion of 6<sup>th</sup> February 2016</p>				
	<p><b>7.1 Assignment of Works</b></p>				
	<p>The contractor sun contracted Riflo Services for Ksh 113,137,730 to speed up the progress of the but the arrangement has not still delivered the project.</p>				
	<p><b>7.2 Failed Project Delivery/Termination</b></p>				
	<p>The project was to be completed on the 6<sup>th</sup> February 2012 but the last progress report from December 2014 indicates only 67.73 physical progress. There is no evidence of action taken by management in line with the terms of the contract.</p>				

8.0	<p><b>Construction of Sigalal-Musoli-Sabatia-Butere Roads(D260/E390)</b>                  The Contract was awarded to M/S Associated on 28<sup>th</sup> March 2011 at a contract price of ksh 1,809,465,663. Works commenced on 6<sup>th</sup> June 2011 and was to be completed by 6<sup>th</sup> June 2013</p> <p><b>8.1 Assignment of Part of the Works</b>                  East Africa Development Engineering and Trading Co. Ltd was assigned part of the works. The Assignee was to construct 20Km at a construct sum of ksh 1,113,658,598.00 and the main contractor to handle 14.25 Km.</p> <p><b>8.2 Advance Payment</b>                  The main contractor was paid an advance of ksh 180,946,566.00 and out of which 22,808,548. Had been recovered by the time of the audit leaving at outstanding of ksh 158,138,018.69</p> <p><b>8.3 Delayed project Completion</b>                  The latest progress report dated 31<sup>st</sup> July 2017 showed that only 74.3% combined progress had been realized by both the main contractor and the assignee, an indication that the project was behind schedule which could lead to escalation of cost.</p>				
9.0	<p><b>Construction of Sigiri Bridge and Approach Roads on Road R43 –RW C092</b>                  The contract was awarded to China Overseas Engineering Group Co. Ltd on the 5<sup>th</sup> March 2015 at contract sum of Ksh 992,546,146. The project had a contract period 18 months and was expected to be completed by 12<sup>th</sup> February 2017</p> <p><b>9.1 Slow Progress</b>                  The Contract period elapsed on the 12<sup>th</sup> February 2017 and there was no evidence for approval of extension of time but latest progress dated 31 October 2017 had overall progress of 81.27 % against contract lapse time of 133.33% . The management indicated the contract was substantially complete, no evidence was available to support this.</p>				

**APPENDIX 2: DEVELOPMENT PARTNERS PROJECTS IMPLEMENTED BY THE AUTHORITY**

Project No.	Project Title	Development Partner	Development Partners Commitment	Separate Donor reporting Required	Consolidated in the financial statements
EUROPEAID/134053/IH/WKS/KE	Contracts For The Rural Roads Project In Eastern Region Of Kenya	EU	Euros 14,850,000	Yes	Yes
CREDIT NO. BMZ: 200765123	Improvement Of Rural Roads And Market Infrastructure In Western Kenya	KFW	Euros 9,000,000	Yes	Yes
REDIT NO. CKE 101201B AND 1046 01 J	Central Kenya Rural Roads Improvement And Maintenance Project	AFD	Euros 74,000,000	Yes	Yes

### APPENDIX 3: INTER ENTITY TRANSFER

	Date Received	Where recorded/ recognise	
	As per Bank Statement	Total amounts	FY to which the Amount relate
<b>A. 22 % ROAD MAINTENANCE LEVY FUND</b>			
Recurrent	28-Sep-17	3,803,604,468.00	2017/2018
Recurrent	30-Jan-18	1,967,597,111.00	2017/2018
Recurrent	03-Apr-18	2,099,186,865.00	2017/2018
Recurrent			
	<b>Total 22 % RMLF</b>	<b>7,870,388,444.00</b>	
<b>B. 10 % RMLF CRITICAL LINKS</b>			
Recurrent	28-Sep-17	834,548,799.00	2017/2018
Recurrent	07-Dec-17	891,977,357.00	2017/2018
Recurrent	30-Jan-18	891,977,357.00	2017/2018
	<b>Total RMLF-10%</b>	<b>2,618,503,513.00</b>	
<b>C. RMLF CABINET SECRETARY ALLOCATION</b>			
Recurrent	14-Jul-17	7,000,000.00	2016/2017
Recurrent	27-Oct-17	150,000,000.00	2017/2018
Recurrent	24-Oct-17	1,888,497,000.00	2017/2018
Recurrent	08-Dec-17	1,350,000,000.00	2017/2018
Recurrent	21-Dec-17	100,000,000.00	2017/2018
Recurrent	10-Apr-18	47,000,000.00	2017/2018
Recurrent	20-Apr-18	223,178,856.00	2017/2018
	<b>Total RMLF-10%</b>	<b>3,765,675,856.00</b>	
<b>E. GOK EXCHEQUER FUNDS</b>			
Development	04-Jul-17	1,807,224,922.00	2016/2017
Development	04-Jul-17	1,145,949,356.00	2016/2017
Development	04-Jul-17	1,105,800,000.00	2016/2017
Development	04-Jul-17	243,500,000.00	2016/2017
Development	04-Jul-17	1,002,710,987.00	2016/2017
Development	04-Jul-17	1,468,344,085.00	2016/2017
Development	04-Jul-17	502,759,676.70	2016/2017
Development	04-Jul-17	1,847,344,046.00	2016/2017
Development	04-Jul-17	311,877,897.60	2016/2017
Development	07-Jul-17	102,500,000.00	2016/2017
Development	10-Jul-17	3,564,225,381.00	2016/2017
Development	23-Oct-17	1,789,658,939.00	2017/2018
Development	19-Oct-17	1,247,160,427.40	2017/2018
Development	13-Dec-17	924,987,467.00	2017/2018
Development	13-Dec-17	893,214,387.00	2017/2018
Development	14-Feb-18	1,449,746,650.00	2017/2018
Development	01-Feb-18	980,567,520.00	2017/2018
Development	13-Dec-17	778,000,000.00	2017/2018
Development	14-Feb-18	1,090,312,930.00	2017/2018
Development	10-Apr-18	548,000,000.00	2017/2018
Development	10-Apr-18	1,692,073,226.00	2017/2018
Development	10-Apr-18	1,660,405,760.45	2017/2018
Development	10-Apr-18	1,626,561,259.00	2017/2018
Development	10-Apr-18	1,787,946,660.00	2017/2018
Development	10-Apr-18	328,868,579.45	2017/2018
Development	10-Apr-18	834,230,988.00	2017/2018
Recurrent	10-Apr-18	50,000,000.00	2017/2018
Recurrent	10-Apr-18	100,000,000.00	2017/2018
Development	11-Apr-18	638,500,000.00	2017/2018
Development	11-Apr-18	1,634,335,388.35	2017/2018
Development	21-Jun-18	1,586,000,000.00	2017/2018
		<b>34,742,806,532.95</b>	
<b>F. DEVELOPMENT PARTNERS</b>			
Development	1-Feb-18	309,786,411	
		<b>309,786,411</b>	-
<b>Total</b>		<b>49,307,160,757</b>	-

**APPENDIX 4: RECORD OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

### APPENDIX 5: RECORD OF BANK ACCOUNTS HELD BY THE ENTITY

KENYA RURAL ROADS AUTHORITY			
BANK ACCOUNT DETAILS As At 30th June 2018			
BANK: NIC			
	NAME	ACCOUNT NUMBER	PURPOSE
1	Kenya Rural Roads Authority -KFW	1001255416	KeRRA-Current
2	Kenya Rural Roads Authority -AFD	1001964972	Retention - Muranga,Kirinyaga,Nyan darua,Laikipia,Nyeri & Kiambu.
3	Kenya Rural Roads Authority -KFW	1001965006	Retention
4	Kenya Rural Roads Authority -AFD	1000014989	EU Roads 2000
5	Kenya Rural Roads Authority -AFD	1000014814	AFD Roads 2000
6	Kenya Rural Roads Authority -AFD	1000017945	Training -Capacity building
7	Kenya Rural Roads Authority -AFD	1001965014	Retention
BANK: EQUITY			
NO.	NAME	ACCOUNT NUMBER-CRF	PURPOSE
1	Kenya Rural Roads Authority -Tigania East	0180295127977	CRF
2	Kenya Rural Roads Authority -Igembe South	0180295127969	CRF
3	Kenya Rural Roads Authority -Mwingi North	0180295127990	CRF
4	Kenya Rural Roads Authority -Juja	180262241013	CRF

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5	Kenya Rural Roads Authority -Emuhaya	1120297268456	CRF	
6	Kenya Rural Roads Authority -Bura	0180297826967	CRF	
7	Kenya Rural Roads Authority - Karachuonyo	0180297872059	CRF	
8	Kenya Rural Roads Authority -Mandera East	0180298354000	CRF	
9	Kenya Rural Roads Authority -Mandera West	0180298353988	CRF	
	<b>BANK: K.C.B</b>			
<b>No.</b>	<b>NAME</b>	<b>ACCOUNT NUMBER</b>	<b>PURPOSE</b>	
1	Kenya Rural Roads Authority -RMLF Roadworks	1114342823	Roadworks	
2	Kenya Rural Roads Authority -RMLF Operations	1110623658	Operations	
3	Kenya Rural Roads Authority -CRF	1116401630	CRF	
4	Kenya Rural Roads Authority -Dev't	1114343528	Dev't	
5	Kenya Rural Roads Authority -AIA Revenue	1114343196	AIA	
6	Kenya Rural Roads Authority -Investment Activities	1115508210	Investment	
7	Kenya Rural Roads Authority -Gratuity	1116786036	Gratuity	
8	Kenya Rural Roads Authority -Salaries & Directors	1119722497	Salaries Directors	
9	Kenya Rural Roads Authority -Hof Retention	1119722543	Retention	
10	Kenya Rural Roads Authority -Staff Housing Scheme	1119722578	Staff Housing Scheme	
11	Kenya Rural Roads Authority -AfD	1179736125	GOK Counterpart-AFD	
12	Kenya Rural Roads Authority -KfW	1179736249	GOK Counterpart-KfW	
13	Kenya Rural Roads Authority -EU	1179736370	GOK Counterpart-EU	
14	Kenya Rural Roads Authority -PALWECO	1138596485	PALWECO	
	<b>REGION CURRENT ACCOUNTS BANK DETAILS</b>			
	<b>BANK: K.C.B</b>			

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	<b>NAME</b>	<b>ACCOUNT NUMBER</b>	<b>PURPOSE</b>	<b>BRANCH</b>
1	KeRRA - GOK-D13-Nairobi	1119722012	REGIONAL GOK Funding	Industrial Area
2	KeRRA - GOK-D13-Kiambu	1119722047	REGIONAL GOK Funding	Kiambu
3	KeRRA - GOK-D13-Kirinyaga	1119722063	REGIONAL GOK Funding	Kerugoya
4	KeRRA - GOK-D13-Muranga	1119722098	REGIONAL GOK Funding	Muranga
5	KeRRA - GOK-D13-Nyandarua	1119722144	REGIONAL GOK Funding	Nyahururu
6	KeRRA - GOK-D13-Nyeri	1119722160	REGIONAL GOK Funding	Nyeri
7	KeRRA - GOK-D13-Kilifi	1119722195	REGIONAL GOK Funding	Kilifi
8	KeRRA - GOK-D13-Kwale	1119722217	REGIONAL GOK Funding	Kwale
9	KeRRA - GOK-D13-Lamu	1119722233	REGIONAL GOK Funding	Lamu
10	KeRRA - GOK-D13-Mombasa	1119722268	REGIONAL GOK Funding	Treasury Square
11	KeRRA - GOK-D13-Taita/Taveta	1119722284	REGIONAL GOK Funding	Voi
12	KeRRA - GOK-D13-Tana River	1119722330	REGIONAL GOK Funding	Hola
13	KeRRA - GOK-D13-Embu	1119722373	REGIONAL GOK Funding	Embu
14	KeRRA - GOK-D13-Isiolo	1119722381	REGIONAL GOK Funding	Isiolo
15	KeRRA - GOK-D13-Kitui	1119722403	REGIONAL GOK Funding	Kitui
16	KeRRA - GOK-D13-Machakos	1119722411	REGIONAL GOK Funding	Machakos
17	KeRRA - GOK-D13-Marsabit	1119722438	REGIONAL GOK Funding	Marsabit
18	KeRRA - GOK-D13-Meru	1119722446	REGIONAL GOK Funding	Meru
19	KeRRA - GOK-D13-Tharaka/Nithi	1119722454	REGIONAL GOK Funding	Chuka
20	KeRRA - GOK-D13-Makueni	1119722462	REGIONAL GOK Funding	
21	KeRRA - GOK-D13-Garrisa	1119722489	REGIONAL GOK Funding	Garrisa
22	KeRRA - GOK-D13-Wajir	1119722527	REGIONAL GOK Funding	Wajir
23	KeRRA - GOK-D13-Mandera	1119722535	REGIONAL GOK Funding	Mandera
24	KeRRA - GOK-D13-Kisii	1119722551	REGIONAL GOK Funding	Kisii
25	KeRRA - GOK-D13-Kisumu	1119721954	REGIONAL GOK Funding	Kisumu
26	KeRRA - GOK-D13-Siaya	1119721962	REGIONAL GOK Funding	Siaya
27	KeRRA - GOK-D13-Homabay	1119721989	REGIONAL GOK Funding	Homabay
28	KeRRA - GOK-D13-Nyamira	1119721997	REGIONAL GOK Funding	Nyamira
29	KeRRA - GOK-D13-Migori	1119722020	REGIONAL GOK Funding	Migori
30	KeRRA - GOK-D13-Kajiado	1119722039	REGIONAL GOK Funding	Kajiado

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31	KeRRA - GOK-D13-Kericho	1119722055	REGIONAL GOK Funding	Kericho
32	KeRRA - GOK-D13-Nakuru	1119722071	REGIONAL GOK Funding	Nakuru
33	KeRRA - GOK-D13-Laikipia	1119722128	REGIONAL GOK Funding	Nanyuki
34	KeRRA - GOK-D13-Narok	1119722136	REGIONAL GOK Funding	Narok
35	KeRRA - GOK-D13-Trans Nzoia	1119722152	REGIONAL GOK Funding	Kitale
36	KeRRA - GOK-D13-Uasin Gishu	1119722179	REGIONAL GOK Funding	Eldoret
37	KeRRA - GOK-D13-Bomet	1119722187	REGIONAL GOK Funding	Bomet
38	KeRRA - GOK-D13-Baringo	1119722209	REGIONAL GOK Funding	Karbarnet
39	KeRRA - GOK-D13-Keiyo Marakwet	1119722225	REGIONAL GOK Funding	Kapsowar
40	KeRRA - GOK-D13-Nandi	1119722241	REGIONAL GOK Funding	Kapsabet
41	KeRRA - GOK-D13-Samburu	1119722276	REGIONAL GOK Funding	Maralal
42	KeRRA - GOK-D13-Turkana	1119722292	REGIONAL GOK Funding	Lodwar
43	KeRRA - GOK-D13-West Pokot	1119722306	REGIONAL GOK Funding	Kapenguria
44	KeRRA - GOK-D13-Bungoma	1119722322	REGIONAL GOK Funding	Bungoma
45	KeRRA - GOK-D13-Busia	1119722349	REGIONAL GOK Funding	Busia
46	KeRRA - GOK-D13-Kakamega	1119722357	REGIONAL GOK Funding	Kakamega
47	KeRRA - GOK-D13-Vihiga	1119722365	REGIONAL GOK Funding	Mbale
	<b>REGION CURRENT ACCOUNTS BANK DETAILS</b>			
	<b>BANK: K.C.B</b>			
<b>No.</b>	<b>NAME</b>	<b>ACCOUNT NUMBER</b>	<b>PURPOSE</b>	<b>BRANCH</b>
1	KeRRA -Nairobi	1113921153	REGIONAL OPERATIONS	Industrial Area
2	KeRRA -Kiambu	1113921374	REGIONAL OPERATIONS	Kiambu
3	KeRRA -Kirinyaga	1113921382	REGIONAL OPERATIONS	Kerugoya
4	KeRRA - Muranga	1113921390	REGIONAL OPERATIONS	Muranga
5	KeRRA -Nyandarua	1113921404	REGIONAL OPERATIONS	Nyahururu
6	KeRRA - Nyeri	1113921412	REGIONAL OPERATIONS	Nyeri
7	KeRRA - Kilifi	1113921188	REGIONAL OPERATIONS	Kilifi
8	KeRRA -Kwale	1113921196	REGIONAL OPERATIONS	Kwale
9	KeRRA - Lamu	1113921218	REGIONAL OPERATIONS	Lamu
10	KeRRA -Mombasa	1113921161	REGIONAL OPERATIONS	Treasury Square

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11	KeRRA -Taita/Taveta	1113921234	REGIONAL OPERATIONS	Voi
12	KeRRA -Tana River	1113921242	REGIONAL OPERATIONS	Hola
13	KeRRA - Embu	1113921323	REGIONAL OPERATIONS	Embu
14	KeRRA - Isiolo	1113921315	REGIONAL OPERATIONS	Isiolo
15	KeRRA - Kitui	1113921285	REGIONAL OPERATIONS	Kitui
16	KeRRA - Machakos	1113921293	REGIONAL OPERATIONS	Machakos
17	KeRRA -Marsabit	1113921366	REGIONAL OPERATIONS	Marsabit
18	KeRRA - Meru	1113921331	REGIONAL OPERATIONS	Meru
19	KeRRA -Tharaka/Nithi	1113921358	REGIONAL OPERATIONS	Chogoria
20	KeRRA - Makueni	1113921307	REGIONAL OPERATIONS	Wote
21	KeRRA -Garrisa	1113921250	REGIONAL OPERATIONS	Garrisa
22	KeRRA -Wajir	1113921277	REGIONAL OPERATIONS	Wajir
23	KeRRA - Mandera	1113921269	REGIONAL OPERATIONS	Mandera
24	KeRRA - Kisii	1113921595	REGIONAL OPERATIONS	Kisii
25	KeRRA - Kisumu	1113921617	REGIONAL OPERATIONS	Kisumu
26	KeRRA -Siaya	1113921625	REGIONAL OPERATIONS	Siaya
27	KeRRA -Homabay	1113921641	REGIONAL OPERATIONS	Homabay
28	KeRRA -Nyamira	1113921609	REGIONAL OPERATIONS	Nyamira
29	KeRRA -Migori	1113921633	REGIONAL OPERATIONS	Migori
30	KeRRA - Kajiado	1113921552	REGIONAL OPERATIONS	Kajiado
31	KeRRA - Kericho	1113921536	REGIONAL OPERATIONS	Kericho
32	KeRRA - Nakuru	1113921579	REGIONAL OPERATIONS	Nakuru
33	KeRRA - Laikipia	1113921560	REGIONAL OPERATIONS	Nanyuki
34	KeRRA - Narok	1113921587	REGIONAL OPERATIONS	Narok
35	KeRRA -Trans Nzoia	1113921455	REGIONAL OPERATIONS	Kitale
36	KeRRA -Uasin Gishu	1113921471	REGIONAL OPERATIONS	Eldoret
37	KeRRA - Bomet	1113921544	REGIONAL OPERATIONS	Bomet
38	KeRRA -Baringo	1113921420	REGIONAL OPERATIONS	Karibarnet
39	KeRRA -Keiyo Marakwet	1113921439	REGIONAL OPERATIONS	Kapsowar
40	KeRRA - Nandi	1113921447	REGIONAL OPERATIONS	Kapsabet
41	KeRRA - Samburu	1113921528	REGIONAL OPERATIONS	Maralal
42	KeRRA -Turkana	1113921463	REGIONAL OPERATIONS	Lodwar
43	KeRRA -West Pokot	1113921498	REGIONAL OPERATIONS	Kapenguria

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44	KeRRA -Bungoma	1113921668	REGIONAL OPERATIONS	Bungoma
45	KeRRA - Busia	1113921676	REGIONAL OPERATIONS	Busia
46	KeRRA - Kakamega	1113921692	REGIONAL OPERATIONS	Kakamega
47	KeRRA - Vihiga	1113921684	REGIONAL OPERATIONS	Mbale
<b>REGION CRF ACCOUNT DETAILS As At 30th June 2018</b>				
<b>NO.</b>	<b>NAME</b>	<b>ACCOUNT NUMBER-CRF</b>	<b>PURPOSE</b>	<b>BRANCH</b>
1	Kenya Rural Roads Authority -Dagoretti North	1143296486	CRF	Prestige Plaza
2	Kenya Rural Roads Authority -Dagoretti South	1143297288	CRF	Prestige Plaza
3	Kenya Rural Roads Authority -Kibra	1143297342	CRF	KICC
4	Kenya Rural Roads Authority -Roysambu	1143297393	CRF	Kimathi
5	Kenya Rural Roads Authority -Ruaraka	1143297482	CRF	Kimathi
6	Kenya Rural Roads Authority -Embakasi South	1143297555	CRF	Jogoo Road
7	Kenya Rural Roads Authority -Embakasi North	1143297687	CRF	Jogoo Road
8	Kenya Rural Roads Authority -Embakasi Central	1143297741	CRF	Kimathi
9	Kenya Rural Roads Authority -Embakasi East	1143297865	CRF	Tomboya
10	Kenya Rural Roads Authority -Embakasi West	1143297946	CRF	Gateway
11	Kenya Rural Roads Authority -Mathare	1143300203	CRF	Kimathi
12	Kenya Rural Roads Authority -Kasarani	1116401738	CRF	Enterprise Road
13	Kenya Rural Roads Authority -Kamkunji	1116401673	CRF	Enterprise Road
14	Kenya Rural Roads Authority -Starehe	1116401762	CRF	Enterprise Road
15	Kenya Rural Roads Authority -Makadara	1116401770	CRF	Enterprise Road
16	Kenya Rural Roads Authority -Westlands	1116400596	CRF	Enterprise Road
17	Kenya Rural Roads Authority -Langata	1116401851	CRF	Enterprise Road

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18	Kenya Rural Roads Authority -Lari	1116401878	CRF	Kiambu
19	Kenya Rural Roads Authority -Kabete	1116401908	CRF	Kiambu
20	Kenya Rural Roads Authority -Limuru	1116400766	CRF	Kiambu
21	Kenya Rural Roads Authority -Kiambaa	1116401916	CRF	Kiambu
22	Kenya Rural Roads Authority -Githunguri	1116400812	CRF	Kiambu
23	Kenya Rural Roads Authority -Gatundu North	1116401967	CRF	Kiambu
24	Kenya Rural Roads Authority -Gatundu South	1116402009	CRF	Kiambu
25	Kenya Rural Roads Authority -Thika Town	1143300297	CRF	Thika
26	Kenya Rural Roads Authority -Ruiru	1143300432	CRF	Ruiru
27	Kenya Rural Roads Authority -Kiambu	1146064799	CRF	Kiambu
28	Kenya Rural Roads Authority -Kikuyu	1143300564	CRF	Kikuyu
29	Kenya Rural Roads Authority -Githugu	1116405814	CRF	Kerugoya
30	Kenya Rural Roads Authority -Mwea	1116400855	CRF	Kerugoya
31	Kenya Rural Roads Authority -Ndia	1116405938	CRF	Kerugoya
32	Kenya Rural Roads Authority -Kirinyaga Central	1143300726	CRF	Kerugoya
33	Kenya Rural Roads Authority -OL-joro orok	1143300890	CRF	Nyandarua
34	Kenya Rural Roads Authority -Kiharu	1116402025	CRF	Murangá
35	Kenya Rural Roads Authority -Mathioya	1116402068	CRF	Murangá
36	Kenya Rural Roads Authority -Kangema	1116400928	CRF	Murangá
37	Kenya Rural Roads Authority -Kandara	1116402092	CRF	Murangá
38	Kenya Rural Roads Authority -Kigumo	1116402130	CRF	Murangá
39	Kenya Rural Roads Authority -Maragwa	1116402173	CRF	Murangá
40	Kenya Rural Roads Authority -Gatanga	1116402238	CRF	Murangá
41	Kenya Rural Roads Authority -OL Kalau	1116401045	CRF	Nyahururu
42	Kenya Rural Roads Authority -Ndaragwa	1116405997	CRF	Nyahururu
43	Kenya Rural Roads Authority -Kinangop	1116406047	CRF	Nyahururu
44	Kenya Rural Roads Authority -Kipipiri	1116406071	CRF	Nyahururu
45	Kenya Rural Roads Authority -Oljoorok	1143300890	CRF	Nyahururu
46	Kenya Rural Roads Authority -Mathira	1116402408	CRF	Nyeri
47	Kenya Rural Roads Authority -Othaya	1116401118	CRF	Nyeri

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48	Kenya Rural Roads Authority -Tetu	1116402467	CRF	Nyeri
49	Kenya Rural Roads Authority -Nyeri Town	1116401169	CRF	Nyeri
50	Kenya Rural Roads Authority -Mukurweini	1116401185	CRF	Nyeri
51	Kenya Rural Roads Authority -Ganze	1116402475	CRF	Kilifi
52	Kenya Rural Roads Authority -Kaloleni	1116402513	CRF	Kilifi
53	Kenya Rural Roads Authority -Malindi	1116401231	CRF	Kilifi
54	Kenya Rural Roads Authority -Magarini	1116402548	CRF	Kilifi
55	Kenya Rural Roads Authority -Kilifi North	1143301048	CRF	Kilifi
56	Kenya Rural Roads Authority -Kilifi South	1143301153	CRF	Kilifi
57	Kenya Rural Roads Authority -Rabai	1143301463	CRF	Kilifi
58	Kenya Rural Roads Authority -Matuga	1116402572	CRF	Kwale
59	Kenya Rural Roads Authority -Msabweni	1116402769	CRF	Kwale
60	Kenya Rural Roads Authority -Kinango	1116402807	CRF	Kwale
61	Kenya Rural Roads Authority -Lunga Lunga	1143301560	CRF	Kwale
62	Kenya Rural Roads Authority - Lamu East	1116402831	CRF	Lamu
63	Kenya Rural Roads Authority - Lamu West	1116402866	CRF	Lamu
64	Kenya Rural Roads Authority - Mvita	1116401266	CRF	Treasury Square
65	Kenya Rural Roads Authority - Kisauni	1116402939	CRF	Treasury Square
66	Kenya Rural Roads Authority - Likoni	1116402017	CRF	Treasury Square
67	Kenya Rural Roads Authority - Changamwe	1116400774	CRF	Treasury Square
68	Kenya Rural Roads Authority - Jomvu	1143301811	CRF	Mwembe-Tayari
69	Kenya Rural Roads Authority - Nyali	1143301978	CRF	Kengeleni
70	Kenya Rural Roads Authority-Mwatate	1116402041	CRF	Voi
71	Kenya Rural Roads Authority-Wundanyi	1116401096	CRF	Voi
72	Kenya Rural Roads Authority-Voi	1116401142	CRF	Voi
73	Kenya Rural Roads Authority-Taveta	1116401177	CRF	Voi
74	Kenya Rural Roads Authority-Galole	1116402203	CRF	Hola
75	Kenya Rural Roads Authority-Garsen	1116401304	CRF	Hola

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76	Kenya Rural Roads Authority-Manyatta	1116402262	CRF	Embu
77	Kenya Rural Roads Authority-Runyenges	1116402327	CRF	Embu
78	Kenya Rural Roads Authority-Gachoka	1116402394	CRF	Embu
79	Kenya Rural Roads Authority-Siakago	1116402440	CRF	Embu
80	Kenya Rural Roads Authority-Isiolo North	1116402483	CRF	Isiolo
81	Kenya Rural Roads Authority-Isiolo South	1116402505	CRF	Isiolo
82	Kenya Rural Roads Authority-Kitui Central	1116402777	CRF	Kitui
83	Kenya Rural Roads Authority-Mwingi West	1143302087	CRF	Mwingi
84	Kenya Rural Roads Authority-Mwingi Central	1143302370	CRF	Mwingi
85	Kenya Rural Roads Authority-Kitui West	1143302397	CRF	Kitui
86	Kenya Rural Roads Authority-Kitui Rural	1143303229	CRF	Kitui
87	Kenya Rural Roads Authority-Kitui East	1143303318	CRF	Kitui
88	Kenya Rural Roads Authority-Kitui South	1143303415	CRF	Kitui
89	Kenya Rural Roads Authority-Machakos Town	1116401363	CRF	Machakos
90	Kenya Rural Roads Authority-Kathiani	1116403153	CRF	Machakos
91	Kenya Rural Roads Authority-Mwala	1116403196	CRF	Machakos
92	Kenya Rural Roads Authority-Masinga	1116403234	CRF	Machakos
93	Kenya Rural Roads Authority-Yatta	1116403277	CRF	Machakos
94	Kenya Rural Roads Authority-Kangundo	1116403315	CRF	Machakos
95	Kenya Rural Roads Authority-Matungulu	1143303474	CRF	Tala
96	Kenya Rural Roads Authority-Mavoko	1143303555	CRF	Kitengela
97	Kenya Rural Roads Authority-Saku	1116403404	CRF	Marsabit
98	Kenya Rural Roads Authority-North Horr	1116403528	CRF	Marsabit
99	Kenya Rural Roads Authority-Laisamis	1116403560	CRF	Marsabit
100	Kenya Rural Roads Authority-Moyale	1116401398	CRF	Marsabit
101	Kenya Rural Roads Authority-Central Imenti	1116403633	CRF	Meru
102	Kenya Rural Roads Authority-North Imenti	1116403684	CRF	Meru
103	Kenya Rural Roads Authority-South Imenti	1116403781	CRF	Meru

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104	Kenya Rural Roads Authority-Tigania West	1116404079	CRF	Meru
105	Kenya Rural Roads Authority-Igembe Central	1143303695	CRF	Meru
106	Kenya Rural Roads Authority-Igembe North	1143303822	CRF	Meru
107	Kenya Rural Roads Authority-Igembe Buuri	1143303903	CRF	Meru
108	Kenya Rural Roads Authority-Maara	1143304136	CRF	Chogoria
109	Kenya Rural Roads Authority-Igambang'ombe	1143304179	CRF	Chuka
110	Kenya Rural Roads Authority-Makueni	1116404443	CRF	Wote
111	Kenya Rural Roads Authority-Kaiti	1116404524	CRF	Wote
112	Kenya Rural Roads Authority-Mbooni	1116404567	CRF	Wote
113	Kenya Rural Roads Authority-Kilome	1116404605	CRF	Wote
114	Kenya Rural Roads Authority-Kibwezi West	1143303970	CRF	Wote
115	Kenya Rural Roads Authority-Kibwezi East	1143304047	CRF	Wote
116	Kenya Rural Roads Authority-Lagdera	1116404796	CRF	Garissa
117	Kenya Rural Roads Authority-Fafi	1116404850	CRF	Garissa
118	Kenya Rural Roads Authority-Ijara	1116404915	CRF	Garissa
119	Kenya Rural Roads Authority-Balambala	1143304209	CRF	Garissa
120	Kenya Rural Roads Authority-Dadaab	1143304276	CRF	Garissa
121	Kenya Rural Roads Authority-Town ship	1146064594	CRF	Garissa
122	Kenya Rural Roads Authority-Wajir South	1116404982	CRF	Wajir
123	Kenya Rural Roads Authority-Wajir North	1116405040	CRF	Wajir
124	Kenya Rural Roads Authority-Wajir East	1116405121	CRF	Wajir
125	Kenya Rural Roads Authority-Wajir West	1116405237	CRF	Wajir
126	Kenya Rural Roads Authority-Tarbaj	1143304748	CRF	Wajir
127	Kenya Rural Roads Authority-Eldas	1143304810	CRF	Wajir
128	Kenya Rural Roads Authority-Banissa	1143304330	CRF	Mandera
129	Kenya Rural Roads Authority-Mandera North	1143304365	CRF	Mandera
130	Kenya Rural Roads Authority-Mandera South	1143304403	CRF	Mandera

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131	Kenya Rural Roads Authority-Lafey	1143304462	CRF	Mandera
132	Kenya Rural Roads Authority-Nyaribari Chache	1116401886	CRF	Kisii
133	Kenya Rural Roads Authority-Nyaribari Masaba	1116401924	CRF	Kisii
134	Kenya Rural Roads Authority-Borabu	1143305213	CRF	Kisii
135	Kenya Rural Roads Authority-Bomachoge chache	1143305337	CRF	Kisii
136	Kenya Rural Roads Authority-Kitutu chache North	1143305388	CRF	Kisii
137	Kenya Rural Roads Authority-Kitutu chache South	1143305493	CRF	Kisii
138	Kenya Rural Roads Authority-South Mugirango	1116402254	CRF	Kisii
139	Kenya Rural Roads Authority-Bonchari	1183882440	CRF	Kisii
140	Kenya Rural Roads Authority-Bobasi	1183882688	CRF	Kisii
141	Kenya Rural Roads Authority-Kisumu Town West	1116402335	CRF	Kisumu
142	Kenya Rural Roads Authority-Kisumu Town East	1116402610	CRF	Kisumu
143	Kenya Rural Roads Authority-Nyando	1116402890	CRF	Kisumu
144	Kenya Rural Roads Authority-Muhoroni	1116401215	CRF	Kisumu
145	Kenya Rural Roads Authority-Nyakach	1116402947	CRF	Kisumu
146	Kenya Rural Roads Authority-Kisumu Central	1143305620	CRF	Kisumu
147	Kenya Rural Roads Authority-Seme	1143305698	CRF	Kisumu
148	Kenya Rural Roads Authority-Alego	1116402998	CRF	Siaya
149	Kenya Rural Roads Authority-Ugenya	1116403137	CRF	Siaya
150	Kenya Rural Roads Authority-Gem	1116403188	CRF	Siaya
151	Kenya Rural Roads Authority-Bondo	1116401274	CRF	Siaya
152	Kenya Rural Roads Authority-Rarieda	1116403250	CRF	Siaya
153	Kenya Rural Roads Authority-Ugunja	1143305736	CRF	Siaya
154	Kenya Rural Roads Authority-Rangwe	1116403269	CRF	Homa Bay
155	Kenya Rural Roads Authority-Mbita	1116403382	CRF	Homa Bay
156	Kenya Rural Roads Authority-Kasipul Kabondo	1116403668	CRF	Homa Bay
157	Kenya Rural Roads Authority-Kasipul	1143312066	CRF	Homa Bay

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158	Kenya Rural Roads Authority-Homabay Town	1143312635	CRF	Homa Bay
159	Kenya Rural Roads Authority-Suba	1143312767	CRF	Homa Bay
160	Kenya Rural Roads Authority-West Mugirango	1116403692	CRF	Nyamira
161	Kenya Rural Roads Authority-North Mugirango	1116403889	CRF	Nyamira
162	Kenya Rural Roads Authority-Borabu	1143312864	CRF	Keroka
163	Kenya Rural Roads Authority-Nyatike	1116403935	CRF	Migori
164	Kenya Rural Roads Authority-Uriri	1116404133	CRF	Migori
165	Kenya Rural Roads Authority-Rongo	1116401371	CRF	Migori
166	Kenya Rural Roads Authority-Suna East	1143312996	CRF	Migori
167	Kenya Rural Roads Authority-Suna West	1143313070	CRF	Migori
168	Kenya Rural Roads Authority-Kuria East	1143313135	CRF	Migori
169	Kenya Rural Roads Authority-Kuria West	1143313208	CRF	Migori
170	Kenya Rural Roads Authority-Kajiado North	1116404346	CRF	Kajiado
171	Kenya Rural Roads Authority-Kajiado Central	1116404419	CRF	Kajiado
172	Kenya Rural Roads Authority-Kajiado East	1143313232	CRF	Kitengela
173	Kenya Rural Roads Authority-Kajiado West	1143313283	CRF	Kiserian
174	Kenya Rural Roads Authority-Kajiado South	1143313399	CRF	Loitoktok
175	Kenya Rural Roads Authority-Belgut	1116404516	CRF	Kericho
176	Kenya Rural Roads Authority-Ainamoi	1116404575	CRF	Kericho
177	Kenya Rural Roads Authority-Kipkelion East	1143313496	CRF	Londian
178	Kenya Rural Roads Authority-Kipkelion West	1143313577	CRF	Londian
179	Kenya Rural Roads Authority-Bureti	1143313607	CRF	Litein
180	Kenya Rural Roads Authority-Sigowet/Soin	1143313682	CRF	Kericho
181	Kenya Rural Roads Authority-Rongai	1116404893	CRF	Nakuru
182	Kenya Rural Roads Authority-Subukia	1116405059	CRF	Nakuru
183	Kenya Rural Roads Authority-Molo	1116401533	CRF	Nakuru
184	Kenya Rural Roads Authority-Naivasha	1116401622	CRF	Nakuru

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185	Kenya Rural Roads Authority-Njoro	1143313798	CRF	Njoro
186	Kenya Rural Roads Authority-Gilgil	1143313895	CRF	Gilgil
187	Kenya Rural Roads Authority-Kuresoi South	1143313984	CRF	Njoro
188	Kenya Rural Roads Authority-Kuresoi North	1143314166	CRF	Njoro
189	Kenya Rural Roads Authority-Bahati	1143314239	CRF	Nakuru
190	Kenya Rural Roads Authority-Nakuru Town west	1143314336	CRF	Nakuru
191	Kenya Rural Roads Authority-Nakuru Town East	1143314387	CRF	Nakuru
192	Kenya Rural Roads Authority-Laikipia East	1116405210	CRF	Nanyuki
193	Kenya Rural Roads Authority-Laikipia North	1143313739	CRF	Nanyuki
194	Kenya Rural Roads Authority-Narok North	1116405393	CRF	Narok
195	Kenya Rural Roads Authority-Narok South	1116405474	CRF	Narok
196	Kenya Rural Roads Authority-Emurua Dikirr	1143314921	CRF	Kilgoris
197	Kenya Rural Roads Authority-Narok East	1143315057	CRF	Narok
198	Kenya Rural Roads Authority-Narok West	1143315219	CRF	Narok
199	Kenya Rural Roads Authority-Cherangany	1116405695	CRF	Kitale
200	Kenya Rural Roads Authority-Saboti	1116405717	CRF	Kitale
201	Kenya Rural Roads Authority-Kwanza	1116405784	CRF	Kitale
202	Kenya Rural Roads Authority-Endebess	1143315480	CRF	Kitale
203	Kenya Rural Roads Authority-Kiminini	1143315634	CRF	Kimilili
204	Kenya Rural Roads Authority-Soy	1143315812	CRF	Kitale
205	Kenya Rural Roads Authority-Turbo	1143316142	CRF	Kitale
206	Kenya Rural Roads Authority-Moiben	1143316193	CRF	Eldoret
207	Kenya Rural Roads Authority-Ainabkoi	1143316266	CRF	Eldoret west
208	Kenya Rural Roads Authority-Kapsereti	1143316312	CRF	Eldoret
209	Kenya Rural Roads Authority-Kesses	1143316428	CRF	Eldoret west
210	Kenya Rural Roads Authority-Chepalungu	1116402599	CRF	Bomet
211	Kenya Rural Roads Authority-Sotik	1116400987	CRF	Bomet
212	Kenya Rural Roads Authority-Bomet East	1143316452	CRF	Bomet

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213	Kenya Rural Roads Authority-Bomet Central	1143316517	CRF	Bomet
214	Kenya Rural Roads Authority-Kanoin	1146064993	CRF	Bomet
215	Kenya Rural Roads Authority-Baringo Central	1116404761	CRF	Kabarnet
216	Kenya Rural Roads Authority-Baringo North	1116404869	CRF	Kabarnet
217	Kenya Rural Roads Authority-Tiaty	1143316592	CRF	Kabarnet
218	Kenya Rural Roads Authority-Baringo South	1143316622	CRF	Marigat
219	Kenya Rural Roads Authority-Mogotio	1116404958	CRF	Kabarnet
220	Kenya Rural Roads Authority-Eldama Ravine	1116401088	CRF	Kabarnet
221	Kenya Rural Roads Authority-Keiyo South	1116405008	CRF	Kapsowar
222	Kenya Rural Roads Authority-Keiyo North	1116405148	CRF	Kapsowar
223	Kenya Rural Roads Authority-Marakwet East	1116405261	CRF	Kapsowar
224	Kenya Rural Roads Authority-Marakwet West	1116405326	CRF	Kapsowar
225	Kenya Rural Roads Authority-Mosop	1116402645	CRF	Kapsabet
226	Kenya Rural Roads Authority-Emgwen	1116402688	CRF	Kapsabet
227	Kenya Rural Roads Authority-Aldai	1116402726	CRF	Kapsabet
228	Kenya Rural Roads Authority-Tinderet	1116402742	CRF	Kapsabet
229	Kenya Rural Roads Authority-Nandi Hills	1143316754	CRF	Nandi Hills
230	Kenya Rural Roads Authority-Chesumei	1143316851	CRF	Nandi Hills
231	Kenya Rural Roads Authority-Samburu West	1116402815	CRF	Samburu
232	Kenya Rural Roads Authority-Samburu East	1116402874	CRF	Samburu
233	Kenya Rural Roads Authority-Samburu North	1143316940	CRF	Maralal
234	Kenya Rural Roads Authority-Turkana South	1116405350	CRF	Lodwar
235	Kenya Rural Roads Authority-Turkana Central	1116405407	CRF	Lodwar
236	Kenya Rural Roads Authority-Turkana North	1116405458	CRF	Lodwar

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237	Kenya Rural Roads Authority-Turkana West	1143317017	CRF	Lodwar
238	Kenya Rural Roads Authority-Loima	1143317149	CRF	Lodwar
239	Kenya Rural Roads Authority-Turkana East	1143317246	CRF	Lodwar
240	Kenya Rural Roads Authority-Kapenguria	1116402912	CRF	Kapenguria
241	Kenya Rural Roads Authority-Sigor	1116403021	CRF	Kapenguria
242	Kenya Rural Roads Authority-Kacheliba	1116403129	CRF	Kapenguria
243	Kenya Rural Roads Authority-Pokot South	1143317335	CRF	Kapenguria
244	Kenya Rural Roads Authority-Kimilili	1116401134	CRF	Bungoma
245	Kenya Rural Roads Authority-Sirisia	1116403307	CRF	Bungoma
246	Kenya Rural Roads Authority-Bumula	1116403420	CRF	Bungoma
247	Kenya Rural Roads Authority-Kanduyi	1116403544	CRF	Bungoma
248	Kenya Rural Roads Authority-Kabuchai	1143317408	CRF	Bungoma
249	Kenya Rural Roads Authority-Webuye East	1143317432	CRF	Webuye
250	Kenya Rural Roads Authority-Webuye West	1143317505	CRF	Webuye
251	Kenya Rural Roads Authority-Tongaren	1143317564	CRF	Kimilili
252	Kenya Rural Roads Authority-Funyula	1116403617	CRF	Busia
253	Kenya Rural Roads Authority-Butula	1116403676	CRF	Busia
254	Kenya Rural Roads Authority-Nambale	1116403706	CRF	Busia
255	Kenya Rural Roads Authority-Budalangi	1116403811	CRF	Busia
256	Kenya Rural Roads Authority-Teso North	1143317661	CRF	Malaba
257	Kenya Rural Roads Authority-Teso South	1143317858	CRF	Malaba
258	Kenya Rural Roads Authority-Matayos	1143317904	CRF	Busia
259	Kenya Rural Roads Authority-Shinyalu	1116403943	CRF	Kakamega
260	Kenya Rural Roads Authority-Lurambi	1116404060	CRF	Kakamega
261	Kenya Rural Roads Authority-Ikolomani	1116404087	CRF	Kakamega
262	Kenya Rural Roads Authority-Malava	1116404125	CRF	Kakamega
263	Kenya Rural Roads Authority-Lugari	1116404176	CRF	Kakamega
264	Kenya Rural Roads Authority-Butere	1116404222	CRF	Kakamega
265	Kenya Rural Roads Authority-Khwisero	1116404311	CRF	Kakamega
266	Kenya Rural Roads Authority-Matungu	1116404370	CRF	Kakamega

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267	Kenya Rural Roads Authority-Likhuyani	1143317955	CRF	Webuye
268	Kenya Rural Roads Authority-Navakholo	1143318048	CRF	Kakamega
269	Kenya Rural Roads Authority-Mumias West	1143318129	CRF	Mumias
270	Kenya Rural Roads Authority-Mumias East	1143318153	CRF	Mumias
271	Kenya Rural Roads Authority-Vihiga	1116404435	CRF	Mbale
272	Kenya Rural Roads Authority-Sabatia	1116404478	CRF	Mbale
273	Kenya Rural Roads Authority-Hamisi	1116404494	CRF	Mbale
274	Kenya Rural Roads Authority-Luanda	1143318285	CRF	Luanda
	<b>BANK:CO-OPERATIVE</b>			
	<b>NAME</b>	<b>ACCOUNT NUMBER</b>	<b>PURPOSE</b>	<b>BRANCH</b>
1	Kenya Rural Roads Authority	01140026188400	AFD 2000	Nyahururu
2	Kenya Rural Roads Authority	01141055408500	AFD 2000	Muranga
3	Kenya Rural Roads Authority -Kieni	01141379019900	CRF	Nyeri
4	Kenya Rural Roads Authority -Tharaka	01141057428300	CRF	Chuka
5	Kenya Rural Roads Authority -Kitutu Masaba	01141296841400	CRF	Kisii
6	Kenya Rural Roads Authority -Ndiwa	01141292577100	CRF	Homabay
7	Kenya Rural Roads Authority -Ladgera	01141375079700	CRF	Garissa
8	Kenya Rural Roads Authority -Kilgoris	01141296862400	CRF	Narok
9	Kenya Rural Roads Authority -Mt Elgon	01141290479900	CRF	Bungoma
10	Kenya Rural Roads Authority - Kiambu	01141370650000	AFD 2000	Kiambu
11	Kenya Rural Roads Authority	01141272894800	AFD 2000	Kerogoya
12	Kenya Rural Roads Authority	01141379349200	AFD 2000	Nyeri
13	Kenya Rural Roads Authority	01141365417500	AFD 2000	Nanyuki
14	Kenya Rural Roads Authority - KFW	01141472733300	KFW	Vihiga
15	Kenya Rural Roads Authority - KFW	01141545929700	KFW	Kakamega
16	Kenya Rural Roads Authority - KFW	01141536543500	KFW	Bungoma