

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

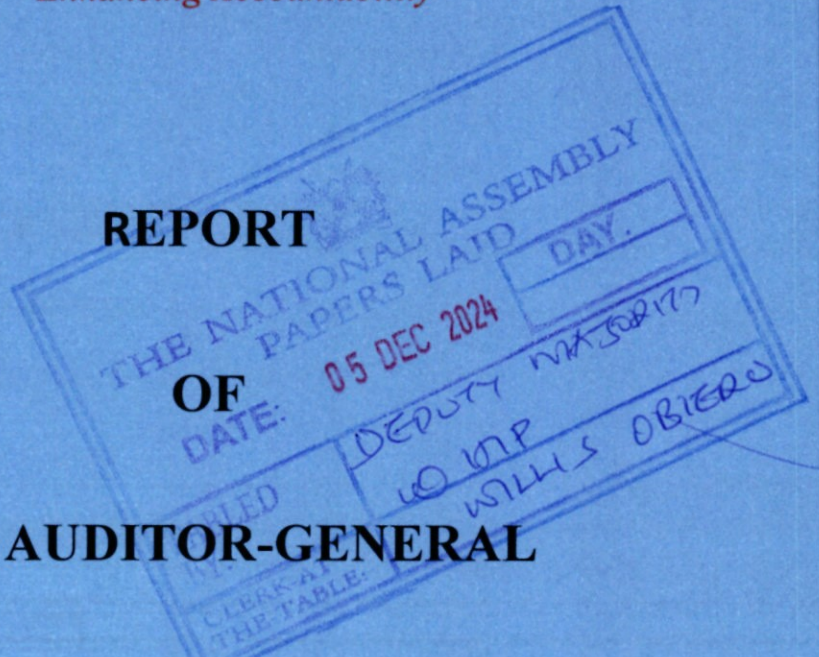
ON

**KAPCHORWA-SUAM-KITALE AND
ELDORET BYPASS ROADS PROJECT
(KENYA) ID NO. P-Z1-DBO-183**

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

**KENYA NATIONAL
HIGHWAYS AUTHORITY**

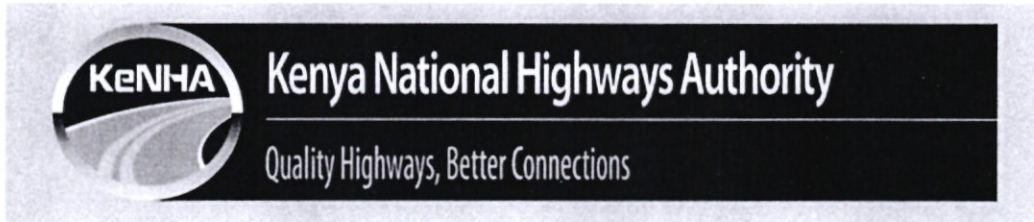
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MINISTRY OF ROADS AND TRANSPORT



PROJECT NAME: MULTINATIONAL UGANDA –KENYA: KAPCHORWA –SUAM – KITALE & ELDORET TOWN BYPASS ROADS PROJECT

IMPLEMENTING ENTITY: KENYA NATIONAL HIGHWAYS AUTHORITY

**PROJECT GRANT/CREDIT NUMBER:
AFRICAN DEVELOPMENT BANK (ADB) LOAN NO 2000200001052
AFRICAN DEVELOPMENT FUND (ADF) LOAN NO 2100150037300**

PROJECT NO P-ZI-DBO-183

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

*Multinational Uganda –Kenya: Kapchorwa –Suam – Kitale & Eldoret Town Bypass Roads
Annual Report and Financial Statements for the financial year ended June 30, 2024*

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1. Acronyms and Definition of Terms

ADF	African Development Fund
AfDB	African Development Bank
CBK	Central Bank of Kenya
CPA	Certified Public Accountant
DNP	Defects Notification Period
EAC	East African Community
EIK	Environment Institute of Kenya
EXIM	Export – Import
FY	Financial Year
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
IPC	Interim Payment Certificate
KeNHA	Kenya National Highways Authority
KSHS.	Kenya Shillings
MoR&T	Ministry of Roads and Transport
PAPs	Project Affected Persons
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
RMB	Renminbi
SDG	Sustainable Development Goals
TNT	National Treasury
UA	Unit of Account
UA	Unit of Account
USD	United States Doller

2. Project Information and Overall Performance

2.1 Name and registered office

Multinational Uganda –Kenya: Kapchorwa –Suam – Kitale & Eldoret Town Bypass Roads Project

Objective:

The African Development Bank Group (AfDB) approved USD 256.36 million of loans to the Governments of Kenya (USD 150.56 million) and Uganda (USD 105.7 million) for the upgrading of 118 km road section connecting the two countries as well as the construction of the 32 km Eldoret town bypass, in Kenya. Once completed in 2021, the project will contribute to improve the living standards of the 1.4 million people in the project zone of influence.

The construction of the Eldoret bypass (32km) will reduce traffic congestion in Eldoret Town, by avoiding crossing of the city centre. Thus, the average speed will increase from 26km/hr in the existing road to 42km/hr

Address: Barabara Plaza,
Jomo Kenyatta International Airport (JKIA)
Off Mazao Road
Nairobi Kenya

Contacts:

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

2.2 Project Information

Project Start Date:	23 rd February ,2018
Project End Date:	30 th September 2023 (inclusive of DNP)
Project Engineer	Eng. Mutii Kivoto
Project Sponsor:	1.African Development Bank (AfDB) 2.Government of Kenya

Project Information and Overall Performance (Continued)

2.3 Project Overview

Line Ministry/ State Department of the project	The project is under the supervision of the State Department of Roads on behalf of the Ministry of Roads and Transport
Project number	P-ZI-DBO-0183
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> • To Connect Kenya and other Part of East & Central African • Facilitate Trade and movement of people in East and Central African by improving the transit time
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> • Rehabilitation of the road that and to reduce transportation cost and transit time <p>Involving the local communities and community based organizations in monitoring conditions along the road, including preservation of the road signs. This will assist in dealing with environmental issues and the guarding against damages and the theft to road signs and road Infrastructure</p> <p>The upgrading of the 118km road connecting Kapchorwa (Uganda) to Kitale (Kenya) will provide</p> <ol style="list-style-type: none"> a) An all-weather access for citizens, farmers and traders. b) The project also includes a construction of a One Stop Border Post in Suam to facilitate trade between the two countries, travellers and transport operators. c) The upgrading of the road will reduce the travel time in Uganda (Kapchorwa-Suam) from 4hrs to 1.5hrs and in Kenya (Suam-Kitale) from 1.5hrs to 45 minutes. d) The project area is very fertile and has high agricultural potential and the upgrading of the road from gravel to bitumen standard will facilitate the supply of farm inputs and evacuation of produce to major market centers.
Other important background information of the project	The AfDB and ADF loans will cover 88% of the Kenya project costs whereas the Government of Kenya contribution will be 12% of the project cost.

**Multinational Uganda –Kenya: Kapchorwa –Suam – Kitale & Eldoret Town Bypass Roads
Annual Report and Financial Statements for the financial year ended June 30, 2024**

Areas that the project was formed to intervene	The project was formed to intervene in the following areas: <ul style="list-style-type: none"> • Reducing Transport cost and travel time between Nairobi and Kampala. • Improvement of transportation of farm inputs and produces to and from the project area • Improvement of economic and living standard of people in towns along the corridor
Project duration	5 years

2.4 Bankers

Cooperative Bank of Kenya Ltd
Upper Hill Branch
P.O. Box 48231 – 00100, Nairobi
Account Number 01141160979900

National Bank of Kenya
Hill Branch
P.O Box 72866 – 00200, Nairobi
Account Number 01001032733200

2.5 Independent Auditor

Auditor General
Office of The Auditor General
P.O Box 30084-0100
Nairobi

2.6 Roles and Responsibilities

List of the people who are working on the project.

	Names	Title designation	Key qualification	Responsibilities
1.	Eng. Henry Gakuru	Director-Development	Registered Civil Engineer	Project Team Leader
2.	Eng. Mutii Kivoto	Deputy Director	Registered Civil Engineer	Project Team Coordinator & Construction Specialist
3.	Mr. Walter Nyatwanga	Deputy Director	Registered NEMA Lead expert. Member EIK	Environment Social Safeguards Specialist
4.	CPA. Chanje Kera	Deputy Director-Finance & Accounts	Certified Public Accountant (CPA)	Project Financial Specialist
5.	Ms. Levina K. Wanyonyi	Deputy Director-Supply Chain Management	Registered KISM	Project Procurement Specialist

**Multinational Uganda –Kenya: Kapchorwa –Suam – Kitale & Eldoret Town Bypass Roads
Annual Report and Financial Statements for the financial year ended June 30, 2024**

Project Information and Overall Performance (Continued)

2.7 Funding summary

The Project is for duration of 5 years from 23rd February 2018 to 30th September 2023 with an approved budget of USD 130,000,000 equivalent to Kshs 8,858,656,800 and Kshs 6,322,697,382 as indicated below:

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30th June 2024)		Undrawn Balance to date (30th June 2024)	
	USD	Kshs	USD	Kshs	USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i)Loan						
African Development Bank (ADB)	82,000,000	8,858,656,800	54,265,322	5,862,412,977	27,734,678	2,996,243,823
African Development Fund (ADF)	48,000,000	6,322,697,382	40,019,364	4,323,387,988	7,980,636	1,999,309,394
(ii)Counterpart funds						
Government of Kenya	-	8,214,810,051	-	4,982,750,864	-	3,232,059,187
Total	130,000,000	23,396,164,233	94,284,686	15,168,551,829	35,715,314	8,227,612,404

B. Application of Funds

Application of funds	Amount received to date - (30th June 2024)		Cumulative Amount paid to date - (30th June 2024)		Unutilized balance to date - (30th June 2024)	
	USD	Kshs	USD	Kshs	USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i)Loan						
African Development Bank (ADB)	54,265,322	5,862,412,977	54,265,322	5,862,412,977	-	-
African Development Bank (ADF)	40,019,364	4,323,387,988	40,019,364	4,323,387,988	-	-
(ii)Counterpart funds						
Government of Kenya	-	4,982,750,864	-	4,979,155,427	-	3,595,437
Total	94,284,686	15,168,551,829	94,284,686	15,164,956,392	-	3,595,437

Project Information and Overall Performance (Continued)

2.8 Summary of Overall Project Performance:

(i) Budget performance against actual amounts for current year and for cumulative to-date,

	2023/2024			Cumulative		
	Budget	Actual	%	Budget	Actual	%
Counterpart Funds-GOK	103,437,748	101,425,138	98%	9,466,310,720	10,293,186,958	109%
Loan from external Development Partners	2,000,000,000	1,713,420,046	86%	8,256,000,000	4,871,769,434	59%
Total	2,103,437,748	1,814,845,184	86%	17,722,310,720	15,164,956,392	86%

(ii) Physical progress based on outputs, outcomes, and impacts since project commencement.

The progress is at 100% for the construction of Eldoret Town and 97.3% for the upgrading of Kitale – Endebess Suam

(iii) Absorption rate for each year since the commencement of the project

Financial Year	Budget	Actual	Percentage (%)
FY 2023/24	2,103,437,748	1,814,845,184	86%
FY 2022/23	1,576,899,792	1,268,810,502	80%
FY 2021/22	2,835,000,000	2,089,978,412	74%
FY 2020/21	1,825,212,548	1,561,952,909	86%
FY 2019/20	5,836,706,886	4,913,674,746	84%
FY 2018/19	1,694,609,563	1,755,699,395	104%
FY 2017/18	1,827,444,183	1,744,218,613	95%
FY 2016/17	23,000,000	15,776,631	69%
Total	17,722,310,720	15,164,956,392	86%

Project Information and Overall Performance (Continued)

- iv) The following are the Project's implementation challenges and recommended next steps.
- a) The project had a challenge of acquiring land to pave way for smooth project implementation.
 - b) The project also had a challenge of inadequate budget provisions coupled with late release of exchequer funds.

The Authority in liaison with the Parent Ministry and the National Treasury ensured the Project was allocated adequate GoK budget provisions. subject to approved budget ceilings.

2.9 Summary of Project Compliance:

There was no significant case of non-compliance with applicable laws and regulations and essential external financing agreements /covenants was reported during the year, therefore no consequences suffered on account of non-compliance or likely to be suffered and consequently no mitigation measures taken or planned to alleviate the adverse effects of actual or potential consequences of non-compliance

The status report is as follows.

PROJECT DESCRIPTION		PROGRESS REPORTED TO DATE
1. Lot1- Construction of Eldoret Town Bypass Road Project (88 km) road section Contract type: Works Contractor: M/S China Wu Yi Co Ltd Contract Signed: 1 st September, 2017 Commencement Date: 12 th February, 2018 Original Completion Date: 13 th December, 2021 Revised Completion Date 30 th September, 2022 Original Contract amount: KES. 5,079,517,696 Revised Contract Amount KES 6,585,040,564.67 Consultant: Abdul Mullick Associates Ltd in association with MAX and Partners and TIMCON Associates Inc. Contract Amount: Kshs. 318,835,894.00	Physical progress,	100%
	Amount certified	KES. 6,330,926,835
	Amount paid	KES. 5,692,974,119
	Time lapsed	62.5 Months

Project Information and Overall Performance (Continued)

PROJECT DESCRIPTION		PROGRESS REPORTED TO DATE
<p>2. Project Name: Upgrading of Kitale – Endebess - Suam (C45) Contract type: Works Contractor: China State Construction Engineering Corporation Ltd Contract Signed: 17th August, 2017 Commencement Date: 26th February, 2018 Original Completion Date: 25th August, 2020 Revised Completion Date 30th September, 2023 Original Contract amount: KES. 4,474,991,402.73 Revised Contract amount KES 4,955,349,857.65</p> <p>Consultant: SARI Consulting, Consulint SRL and Ochieng Abuodha & Associates Contract Amount: USD. 1,235,950.95 KES. 210,165,831.00 Revised Contract Amount USD 1,305,812.57 and KES 271,816,565.59</p>	Physical progress,	97.30 %
	Amount certified	KES 4,614,909,965
	Amount paid	KES. 3,718,169,005.93
	Time lapsed	77 Months

3. Statement of performance against project’s predetermined objectives

Introduction

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

The Project is a multinational operation that provides an important link between Uganda and Kenya by connecting through the border post of Suam. The Uganda side of the project road is Kapchorwa-Suam and the Kenya side of the project road are Suam-Kitale and Eldoret Bypass. The project road supports the regional integration objective of member countries of East African Community (EAC) and Great Lakes Region, especially Uganda and Kenya by connecting to Suam and further linking with Democratic Republic of Congo (DRC) and South Sudan. This is a transformative project that contributes to socio-economic development, poverty reduction and regional integration in eastern Uganda and western Kenya

The key development objectives of the project are to:

- a) The project is a regional road traversing via Suam border and supports regional and national social-economic growth strategies and improves the traffic congestion in Eldoret Town
- b) The improvement of the road will promote the effort of the Governments in poverty reduction through better road infrastructure in the two countries by providing all weather access for the supply of farm inputs and evacuation of produce to major market centres, thus improving the level of service and efficiency of the road network and reducing transport costs.
- c) It will also support regional integration, economic co-operation and foster transport linkage with Uganda, Kenya, DRC and South Sudan.

Progress on attainment of Strategic development objectives

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

Statement of performance against project’s predetermined objectives (Continued)

Below we provide the progress on attaining the stated objectives:

Objective	Outcome	Indicator	Performance
Contribute to the improvement of economic and social welfare of citizens of Uganda and Kenya	Reduced transport costs	GDP per Capita	Uganda USD1099, an increase of 39% and Kenya, USD 2189, an increase of 38%in 20
Enhance regional trade between Uganda and Kenya	Reduced Congestion	Trade volume in USD using Suam border	To increase to USD4.92million worth of trade (Kenya with Uganda) by 2025
Costs and travel time for specific types of vehicles and trips	Reduced transport costs	(a) Average passenger fare /person on Kapchorwa-Suam and Suam-Kitale. (b) Average vehicle travel time on Kapchorwa-Suam and Suam-Kitale.	a) In Uganda, there was a reduction of 29% per person and in Kenya, there was a reduction of 25% per person in year 2021. b) In Uganda there was Reduction of travel time by 63% to 1.5hrs and in Kenya, by 50% to 45 minutes in year 2021.
Road accidents	Improved rate of survival out of vehicle accidents	Rate of survival out of accidents.	i) In Uganda, the rate of fatalities per 10,000 vehicles had reduced by 30%. ii) In Kenya, the rate of fatalities per 10,000 vehicles had reduced by 20%.

4. Environmental and Sustainability Reporting

Multinational Uganda –Kenya: Kapchorwa –Suam – Kitale & Eldoret Town Bypass Roads has a main focus of improving transportation infrastructure to enhance connectivity and efficiency. In terms of environmental and sustainability reporting, the strategy involved rigorous assessment and mitigation of environmental impacts throughout the project lifecycle. Below is a brief highlight of the activities that drive towards sustainability.

i. Sustainability strategy and profile

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

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

ii. Environmental performance

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

iii. Employee welfare

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

Project Information and Overall Performance (Continued)

iv. Market place practices

a) Responsible Supply chain and supplier relations

The Authority strive to ensure responsible competition practices through undertaking annual governance audits in projects, monitored the implementation of policies and further promoted ethical conduct in projects.

b) Responsible ethical practices

The Authority equally sensitized staff on corruption and integrity.

c) Regulatory impact assessment

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

Further, the Authority endeavours to honour its contractors and vendors payments through paying within the set payment timelines in the contracts and agreements.

v. Community Engagements

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

The Contractor has been involved in various CSR activities geared towards providing the local residents through construction of water kiosks along the project road, improvement of access roads and enhancing learning and playing environment in schools along the project road. To enhance social safeguards in projects, the Authority undertakes Resettlement Action Plan (RAP) studies and implements its recommendations, carries out Social Impact Assessments (SIA), undertakes gender mainstreaming and conduct stakeholders' forum to sensitize the public in several cross-cutting issues.

5. Statement of Project Management Responsibilities

The Director General and the Project Implementation Team Leader are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

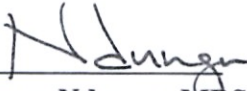
The Director General and the Project Implementation Team Leader accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Director General and the Project Implementation Team Leader of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2024 and of the Project's financial position as at that date. The Director General and the Project Implementation Team Leader further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the Project financial statements


The Project financial statements were approved by the Director General and the Project Implementation Team Leader on 10 SEP 2024 and signed by:



Eng. Kungu Ndungu, MBS
Director General



Eng. Henry Gakuru
Director -Development



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

REPUBLIC OF KENYA



Enhancing Accountability

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REPORT OF THE AUDITOR-GENERAL ON KAPCHORWA-SUAM-KITALE AND ELDORET BYPASS ROADS PROJECT (KENYA) ID NO. P-Z1-DBO-183 FOR THE YEAR ENDED 30 JUNE, 2024 - KENYA NATIONAL HIGHWAYS AUTHORITY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kapchorwa-Suam-Kitale and Eldoret Bypass Roads Project set out on pages 1 to 21, which comprise of the statement

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

In my opinion, except for the effects of the matter described in the basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kapchorwa-Suam-Kitale and Eldoret Bypass Roads Project as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and the Public Finance Management Act, 2012 and comply with the Loan Agreement Nos.2100150037300 and 200200001052 dated 19 May, 2017 between African Development Fund (ADF) and the African Development Bank (AfDB), respectively and the Republic of Kenya.

Basis for Qualified Opinion

Unsupported Prior Year Adjustments

Note 8 to financial statements reflects prior year adjustment amounts of Kshs.1,217,296,234 and Kshs.4,768,528 in respect to land compensation and rehabilitation of roads respectively. However, Management have not submitted the supporting schedules or ledgers and journal vouchers for the adjusted amount of Kshs. 1,217,296,234.

In the circumstances, the accuracy and completeness of the prior year adjustment amount of Kshs.1,217,296,234 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kapchorwa-Suam-Kitale and Eldoret Bypass Roads Project Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.2,103,437,748 and Kshs.1,814,857,794 resulting to an under-funding of Kshs.288,579,954 or 14% of the budget. Further, the Project spent an amount of Kshs.1,814,845,184 against the actual receipts of Kshs.1,814,857,794 resulting to an under-utilization of Kshs.12,610.

Further, the statement does not include the itemized budget for the various expenditure codes under purchase of goods and services to enable proper budgetary controls. Therefore, the comparison between the budgeted and actual expenditure codes could not be determined.

The underfunding affected the planned activities of the Project and may have negatively affected service delivery to the public.

2. Failure to Settle Pending Bills

Note 1 to the financial statements on other important disclosures and Annex 4 to the financial statements reflect pending accounts payable balance of Kshs.3,334,689,262 as at 30 June, 2024. The balance includes amounts of Kshs.2,106,145,939 for construction of roads, Kshs.1,204,698,605 for supervision services (land compensation) and Kshs.23,844,718 for supply of goods and services respectively.

Review of documents and schedules provided for audit in support of land compensation revealed that there is a long delay in compensating of persons affected by the project (PAPs). It was not clear why the PAPs had not been compensated in full despite the progress of the project being at an average of 97% to completion and the contractual period of the project having since expired.

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

My report is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

1. Outstanding Disbursement of Donor and Counterpart Funds

The funding summary information in the financial statements under paragraph 2.7A - source of funds, reflects an amount of Kshs.23,396,164,233 in respect of as the projected total funding for the Project. Further, the amount received to date totaled Kshs.15,168,551,829 resulting to an undrawn balance to date of Kshs.8,227,612,404.

The details are as shown in the table below: -

Source of Funds	Donor Commitments (Kshs.)	Amount Received to Date (30 June, 2024) (Kshs.)	Undrawn Balance to Date (Kshs.)
	(A')	(B')	(A') – (B')
i) Loan			
African Development Bank (ADB)	8,858,656,800	5,862,412,977	2,996,243,823
African Development Fund (ADF)	6,322,697,382	4,323,387,988	1,999,309,394
(ii) Counterpart Funds			
Government of Kenya	8,214,810,051	4,982,750,864	3,232,059,187
Total	23,396,164,233	15,168,551,829	8,227,612,404

The project commenced on 23 February, 2018 and was expected to end on 30 September, 2023 and has therefore been in existence for more than five (5) years while having received a total of Kshs.15,168,551,829 or 65% of the expected receipts.

However, although Management explained that the project duration was extended to 31 March, 2025, it may not be possible for the Project to receive the undisbursed amount of Kshs.8,227,612,404 which represents 35% of the expected total funding by that date.

In the circumstances, the overall objectives of the project may not be met and this may affect service delivery to the public.

2. Unresolved Prior Year Matters

In the audit report for the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, review of the prior year Auditor-General's recommendations and the implementation status report revealed that all of the issues remained unresolved as at 30 June, 2024. Further, although the issues had been discussed in the Public Accounts Committee of the National Assembly, they remained unresolved as at the time of the audit in October, 2024.

Other Information

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Nugatory Payments - Interest on Delayed Payments

Review of records provided for audit verification revealed that the contractor has lodged a claim for Kshs.318,602,456 in respect to interest charges caused by delays in the implementation of the project by the employer. The amount includes Kshs.132,581,708 in respect to interest on delayed payments of Interim Payment Certificates (IPC) No. 20, 27 and 30. Further, an additional claim of Kshs.186,020,748 was caused by unnecessary delays in the payment of certified works by the Authority.

In the circumstances, the Project may incur an additional and avoidable cost of Kshs.318,602,456 which could have been applied in the execution of other projects.

2. Unutilized Lorry Park on Lot 1 Road Project

An audit inspection exercise carried out on 25 September 2024 on Lot 1 phase of the project revealed that the construction of Eldoret by-pass was complete and had been taken over by Kenya National Highways Authority (KeNHA) and is fully in use by the general public. The contract for Lot 1 road project had an original contract sum of Kshs.5,079,517,696 which was later revised to an amount of Kshs.6,585,040,565.

Further, it was observed that included in the deliverables for the road construction was a lorry park that was constructed after acquisition of land at the tail end of the thirty-two (32) kilometer stretch of the road. However, the audit inspection revealed that the facility was idle against the planned objective of the Project and therefore the value for money for the lorry park may not be realized as expected. In addition, the traffic flow through the bypass appears quite low compared to Uganda road which passes through Eldoret city and therefore working against the original idea of constructing the bypass.

In the circumstances, the value for money for the construction of the lorry park on Lot 1 of the road project could not be confirmed.

3. Delayed Completion of the Project

The contract No. KeNHA/D&C/RD/2270/2017 for Lot 2 - Kitale-Endebess-Suam Road was signed on 1 September, 2017 between the M/s China State Construction Engineering Corporation Limited and Kenya National Highways Authority on behalf of the Government. The commencement date was on 12 February, 2018 with the expected completion date being 13 December, 2021 which was later revised to 30 September, 2023. The contract sum was agreed at Kshs.4,474,991,402 which was later revised to Kshs.4,955,349,857 and the amount of certified works as at 30 June, 2024 was Kshs.4,924,432,766 with the total amount paid to date being Kshs.4,412,152,621 or 90% of the amount certified for payment.

According to the progress report provided, the weighted progress stood at 94% compared to seventy-nine (79) months or 263% of the contract period elapsed. This implies that the contractor is working behind schedule and therefore indicates slow progress in the execution of the contract. Available documents indicate that the project was taken over by the employer on 23 September, 2023 as evidenced by the taking over certificate No. 1 Ref. No. KeNHA/05.B/MEB/2270/Vol.15/2787. The section taken over by the employer included rehabilitation of Kitale-Endebes road of 19.8 km and the Endebes-Suam road at 25.2km.

It was observed that the defects liability period was planned to last for twelve (12) months, from 20 July, 2023 to 19 July, 2024 for both Lot 1 and Lot 2 of the road projects. This implies that the contractor for Lot 2 may be undertaking works without a valid contract with the employer (KeNHA) since the contract period has lapsed. Further, the defects liability period for the project has elapsed before the actual road works have been completed. As a consequence, it is not possible to know who between the contractor and the employer, will take responsibility for the defects that may arise upon completion of the pending construction works.

Although Management explained that an extension for completion of works was granted by the Donor to 30 December, 2024, it may not be possible for the Contractor to have completed all the outstanding works by that date.

In addition, the performance guarantee submitted by the Contractor was to expire on 30 September, 2024 and therefore may not cover the pending works since they had not been completed within the revised contract period.

An audit inspection exercise carried out on the road construction project on 25 September, 2024 revealed the following unsatisfactory matters:

- (i). The contractor is yet to complete the entire stretch of Kitale -Endebess road with approximately 1km of dual carriage in Kitale town. Further, the street lights and foot bridges in the town have not been done.
- (ii). Access and service roads identified in the scope of works are yet to be started (including the access road to Kitale Stadium). In addition, the Kitale Market is yet to be completed with several works yet to be completed. The roofing at the market was not well done and the market area floods when it rains and this may come with challenges to the traders as the rain water may destroy their merchandise.
- (iii). Construction of bus bay is incomplete and there is slow relocation of Kenya Power poles and power lines.
- (iv). The one-stop boarder post is yet to be completed.

In the circumstances, value for money may not have been realized in the implementation of the Project.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by African Development Fund (ADF) and African Development Bank (AfDB), I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have not been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are not in agreement with the accounting records and returns.

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

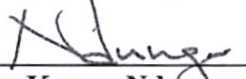
15 November, 2024

Multinational Uganda –Kenya: Kapchorwa –Suam – Kitale & Eldoret Town Bypass Roads Annual Report and Financial Statements for the financial year ended June 30, 2024

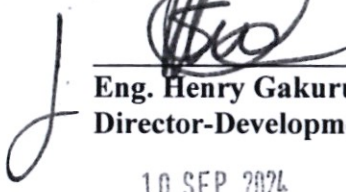
7. Statement of Receipts and Payments for the Year ended 30th June 2024

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payments controlled by the entity (Restated)	Payments made by third parties (Restated)	Total (Restated)	Cumulative to date (From Inception) (Restated)
		FY 2023/24			FY 2022/23			Kshs
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts								
Transfer from Government entities	1	101,437,748	-	101,437,748	126,899,792	-	126,899,792	4,982,750,864
Loan from external development partners	2	-	1,713,420,046	1,713,420,046	-	1,137,142,182	1,137,142,182	10,185,800,965
Total Receipts		101,437,748	1,713,420,046	1,814,857,794	126,899,792	1,137,142,182	1,264,041,974	15,168,551,829
Payments								
Purchase of goods and services	3	2,781,873	-	2,781,873	10,951,958	2,540,350	13,492,308	121,699,280
Acquisition of non-financial assets	4	98,643,265	1,713,420,046	1,812,063,311	112,365,007	1,134,601,832	1,246,966,839	15,043,257,112
Total Payments		101,425,138	1,713,420,046	1,814,845,184	123,316,965	1,137,142,182	1,260,459,147	15,164,956,392
Surplus/(Deficit)		12,610	-	12,610	3,582,827	-	3,582,827	3,595,437

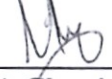
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.


Eng. Kungu Ndungu, MBS
Director General
 10 SEP 2024

 Date


Eng. Henry Gakuru
Director-Development
 10 SEP 2024

 Date


CPA Chanje Kera
Deputy Director (F&A)
ICPAK Member No. 8279
 10 SEP 2024

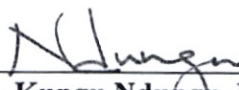
 Date

Multinational Uganda –Kenya: Kapchorwa –Suam – Kitale & Eldoret Town Bypass Roads Annual Report and Financial Statements for the financial year ended June 30, 2024


8. Statement of Financial Assets and Liabilities at 30th June 2024

	Note	2023/24 Kshs	2022/23 Kshs
Financial Assets			
Cash and Cash equivalents	5	4,762,834	8,351,355
Total Financial Assets (A)		4,762,834	8,351,355
Financial Liabilities			
Payables - Retentions	6	1,167,397	4,768,528
Total Financial Liabilities (B)		1,167,397	4,768,528
Net Financial Assets (A-B)		3,595,437	3,582,827
Represented By:			
Fund Balance B/fwd.	9	3,582,827	-
Surplus/Deficit for the year		12,610	3,582,827
Net Financial Assets		3,595,437	3,582,827

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 10 SEP 2024 and signed by:


 Eng. Kungu Ndungu, MBS
 Director General


 Eng. Henry Gakuru
 Director -Development


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

9. Statement of Cash flows for the Year ended 30th June 2024

	Note	2023/24 Kshs	2022/23(Restated) Kshs
Cashflow from operating activities			
Receipts			
Transfer from Government entities	1	101,437,748	126,899,792
Total Receipts		101,437,748	126,899,792
Payments			
Purchase of goods and services	3	(2,781,873)	(13,492,308)
Total Payments		(2,781,873)	(13,492,308)
Net receipts/(payments)		98,655,875	113,407,484
Adjustments during the year			
Increase/(decrease)in accounts payable-retentions		(3,601,131)	1,192,327
Net cash flow from operating activities		95,054,744	114,599,811
Cashflow from Investing Activities			
Net cash flows from Investing Activities		(1,812,063,311)	(1,246,966,839)
Cashflow from Financing Activities			
Proceeds from Foreign Borrowings	2	1,713,420,046	1,137,142,182
Net cash flow from financing activities		1,713,420,046	1,137,142,182
Net increase in cash and cash equivalents		(3,588,521)	4,775,154
Cash & cash equivalent at beginning of the year		8,351,354	3,576,200
Cash and cash equivalent at end of the year		4,762,834	8,351,354

Multinational Uganda –Kenya: Kapchorwa –Suam – Kitale & Eldoret Town Bypass Roads Annual Report and Financial Statements for the financial year ended June 30, 2024

10. Statement of Comparison of Budget and Actual amounts for the Year ended 30th June 2024

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfer from Government entities	286,144,549	(182,706,801)	103,437,748	101,437,748	2,000,000	98%
Proceeds from borrowings	600,000,000	1,400,000,000	2,000,000,000	1,713,420,046	286,579,954	86%
Total Receipts	886,144,549	1,217,293,199	2,103,437,748	1,814,857,794	288,579,954	86%
Payments						
Purchase of goods and services	886,144,549	1,217,293,199	2,103,437,748	2,781,873	288,592,564	86%
Acquisition of non-financial assets:				1,812,063,311		
Miscellaneous Payments	-	-	-	-	-	-
Total Payments	886,144,549	1,217,293,199	2,103,437,748	1,814,845,184	288,592,564	86%
Surplus or Deficit	-	-	-	12,610	(12,610)	

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

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

The financial statements are for the Multinational Uganda –Kenya: Kapchorwa –Suam – Kitale & Eldoret Town Bypass Roads Project & Eldoret Town Bypass Project under National Government of Kenya. The financial statements encompass the reporting entity as required by 81 of the PFM Act, 2012.

c) Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), the project's functional and reporting currency. All values are rounded to the nearest Kenya Shilling.

d) Recognition of receipts

The Project recognizes all receipts from various sources when an event occurs, and the related cash is received.

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

Significant Accounting Policies (Continued)

iv) Donations and grants

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

v) Proceeds from borrowing

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

vi) Undrawn external assistance

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

e) Recognition of payments

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

(i) Compensation of employees

Salaries, wages, Allowances, and Statutory Contributions for employees are recognized when the compensation is paid.

(ii) Use of goods and services

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

(iii) Interest on borrowing

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

Significant Accounting Policies (Continued)

(iv) Repayment of borrowing (principal amount)

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

(v) Acquisition of fixed assets

The payment on the acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items, respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as a receipt and as a payment. A fixed asset register is maintained by each public entity, and a summary is provided for consolidation purposes. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

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

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

h) Restriction on cash

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

Significant Accounting Policies (Continued)

i) Imprests and Advances

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

j) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

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

k) Contingent Assets

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

l) Pending bills

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

Significant Accounting Policies (Continued)

pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

m) Budget

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

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

n) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties column in the statement of receipts and payments.

o) Exchange rate differences

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

p) Comparative figures

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

q) Subsequent events

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

r) Prior Period Adjustments

Prior period Adjustments relate to errors and other adjustments noted arising from previous year(s).

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	FY 2023/24	FY 2022/23	Cumulative to- date (from Inception)
	Kshs	Kshs	Kshs
Counterpart funds Quarter 1	10,261,653	-	578,004,194
Counterpart funds Quarter 2	-	74,491,413	988,739,597
Counterpart funds Quarter 3	91,176,095	-	837,339,704
Counterpart funds Quarter 4	-	-	-
TOTAL	101,437,748	74,491,413	4,930,342,486
<i>Other transfers from government entities</i>			
Ministry of Roads and Transport		47,542,154	47,542,154
Appropriations-in-Aid	-	4,866,225	4,866,225
Fuel Levy funds Quarter 3	-	-	-
Fuel Levy funds Quarter 4	-	-	-
Total		52,408,379	52,408,379
Grand Total	101,437,748	126,899,792	4,982,750,865

Multinational Uganda –Kenya: Kapchorwa –Suam – Kitale & Eldoret Town Bypass Roads Annual Report and Financial Statements for the financial year ended June 30, 2024

Notes to the Financial Statements (Continued)

2. Loan from external Development Partners

During the 12 months to 30 June 2024, we received funding from Development Partners in form of loans negotiated by the National Treasury as detailed in the table below.

Description	2023/2024					FY 2022/2023	Cumulative to date
Name of Donor	Date received	Amount received in donor currency	Loans received in actual amount	Loans received as direct payment*	Total amount in Kshs	Total amount in Kshs	
		USD	Kshs	Kshs	Kshs	Kshs	Kshs
Loans received from Multilateral Donors (Foreign Governments)	FY 2023/24, please refer to annex 6						
African Development Bank		7,655,206	-	826,379,461	826,379,461	670,091,729	5,394,170,197
African Development Fund		8,217,143	-	887,040,585	887,040,585	467,050,453	4,791,630,768
Total		15,872,349	-	1,713,420,046	1,713,420,046	1,137,142,182	10,185,800,965

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Notes to the Financial Statements (Continued)

3. Purchase of Goods and Services

Description	FY 2023/24			FY 2022/23	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Domestic travel and subsistence	1,618,337	-	1,618,337	5,906,900	109,354,026
Hospitality Supplies & Services	215,950		215,950	2,677,455	2,893,405
Training Payments	-	-	-	2,540,350	4,802,420
Printing, advertising and information supplies	947,586	-	947,586	2,367,603	4,649,429
Total	2,781,873	-	2,781,873	13,492,308	121,699,280

4. Acquisition of Non-Financial Assets

Description	FY 2023/24			FY 2022/23	Cumulative to-date (Restated)
	Payments made in Cash	Payments made by third parties	Total Payments	Total Payments (Restated)	
	Kshs	Kshs	Kshs	Kshs	Kshs
Research, studies, project preparation, design & supervision	11,027,432	153,100,213	164,127,645	129,460,472	1,083,822,301
Rehabilitation of Roads	62,221,570	1,560,319,833	1,622,541,403	1,101,447,550	10,157,228,740
Acquisition of land	25,394,263	-	25,394,263	16,058,817	3,802,206,071
Total	98,643,265	1,713,420,046	1,812,063,311	1,246,966,839	15,043,257,112

Notes to the Financial Statements (Continued)

5. Cash and Cash equivalents

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Bank accounts	4,762,834	8,351,355
Total	4,762,834	8,351,355

5A Bank Accounts

Details	FY 2023/2024	FY 2022/23
	Kshs	Kshs
National Bank of Kenya [A/c No 01001-327332-00]	1,167,397	4,768,528
Cooperative Bank [A/c No 011141160979900]	3,595,437	3,582,827
Total bank account balances	4,762,834	8,351,355

6. Accounts Payables – Retentions

Description	FY 2023 - 2024		FY 2022 - 2023	
	Kshs		Kshs	
Retention	1,167,397		4,768,528	
Total	1,167,397		4,768,528	
	2023 - 2024	% of the Total	2022 - 2023	% of the Total
Ageing analysis:				
Under one year	1,167,399	100%	-	0%
1-2 years	-	0%	1,192,327	25%
2-3 years	-	0%	560,500	12%
Over 3 years	-	0%	3,015,701	63%
Total	1,167,399	100%	4,768,528	100%

7. Changes in Accounts Payables (Deposits and Retention)

Description	FY 2023 - 2024	FY 2022 - 2023
	Kshs	Kshs
Retentions as at 1 st July	4,768,528	3,576,201
Closing accounts payables as at 30 th June	1,167,397	4,768,528
Change in payables	(3,601,131)	1,192,327

Notes to the Financial Statements (Continued)

8. Prior Year Adjustment

Description of the error	Balance b/f Previous FY (audited financial statements))	Adjustments	Adjusted balance b/f Previous FY
	Kshs	Kshs	Kshs
Pending accounts payable-Land Compensation	12,796,634	1,217,296,234	1,230,092,868
Summary of Fixed Assets Register-Acquisition of Non Financial assets	8,529,918,809	4,768,528	8,534,687,337
Acquisition of Non Financial assets-(Rehabilitation of Roads)-FY 2022/2023	111,172,680	1,192,327	112,365,007

The prior year adjustments relate to land compensation amount inadvertently understated in the previous FY and the retention amounts which were not capitalised in 2022/2023 and now capitalised in the current FY

9. Fund Balance Brought Forward

Description	FY 2023 - 2024	FY 2022 - 2023
	Kshs	Kshs
Bank accounts	3,582,827	-
Total	3,582,827	-

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Other Important Disclosures

1. Pending Accounts Payable (Annex 4)

Description	Balance b/f FY 2023/2024(Restated)	Additions for the period	Paid during the year	Balance c/f FY 2023/2024
	Kshs	Kshs	Kshs	Kshs
Construction of Roads	700,690,275	1,405,455,664		2,106,145,939
Land Compensation	1,230,092,868		25,394,263	1,204,698,605
Supply of Goods and Services	31,681,350		7,836,632	23,844,718
Total	1,962,464,493	1,405,455,664	33,230,895	3,334,689,262

2. External assistance

Description	FY 2023 - 2024	FY 2022 - 2023
	Kshs	Kshs
External assistance received as loans	1,713,420,046	1,137,142,182
Total	1,713,420,046	1,137,142,182

a) External assistance relating to loans and grants

Description	FY 2023 - 2024	FY 2022 - 2023
	Kshs	Kshs
External assistance received as loans	1,713,420,046	1,137,142,182
Total	1,713,420,046	1,137,142,182

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Notes to the Financial Statements (Continued)

b) Undrawn external assistance

Description	FY 2023 - 2024	FY 2022 - 2023
	Kshs	Kshs
Undrawn external assistance - loans	4,995,553,217	5,570,638,754
Total	4,995,553,217	5,570,638,754

c) Classes of providers of external assistance

Description	FY 2023 - 2024	FY 2022 - 2023
	Kshs	Kshs
Multilateral donors	1,713,420,046	1,137,142,182
Total	1,713,420,046	1,137,142,182

d) Purpose and use of external assistance

Description	FY 2023 - 2024	FY 2022 - 2023
	Kshs	Kshs
Acquisition of Assets	1,713,420,046	1,134,601,832
Use of goods and services	-	2,540,350
Total	1,713,420,046	1,137,142,182

e) External Assistance paid by third Parties on behalf of the Entity by Source

Description	FY 2023 - 2024	FY 2022 - 2023
	Kshs	Kshs
Multilateral donors	1,713,420,046	1,137,142,182
Total	1,713,420,046	1,137,142,182

13. Annexes

Annex 1: Prior Year Auditor-General’s Recommendations

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management Comments	Status	Timeframe:
1	<p>Inaccuracies in the Surplus balance</p> <p>The statement of receipts and payments reflects comparative balance for surplus for the year amounting to Kshs. 7,111,345 which differs with the deficit balance of Kshs. 8,401,553 reflected in the prior year audit certificate and resulting to an unexplained variance of Kshs. 15,512,897</p> <p>In addition, the statement of receipts and payments reflects surplus for the year of Ksh.4,775, which differs with the balance of Ksh.3,582,827 reflected in the statement of financial assets resulting to unexplained variance of Ksh.1,192,327</p> <p>In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.</p>	<p>We agree with the auditor’s observation that the Statement of Receipts and Payments reflects a comparative balance for surplus for the year amounting to Kshs. 7,111,345 which was not in agreement with the closing deficit balance of Kshs. 8,401,552 in the audited financial statements.</p> <p>This was a regrettable error. The financial statements were subsequently amended although the amended financial statements were not considered in the final report.</p> <p>We agree with the auditor’s observation that the figure of Kshs 8,401,553.00 had not been reflected in the comparative column of the Statement of Financial Position as at 30 June 2023. This was the net movement in Retention for that year ended 30 June 2022 and therefore was not affecting the Statement of Financial Assets.</p>	Not Resolved	Continuous
2	<p>Unconfirmed Transfers from Government Entities</p> <p>The statement of Receipts and Payments reflects transfers from Government entities of Kshs. 126,899,792 as disclosed in Note 1 to the financial statements, being project receipts from the parent ministry (State Department for Infrastructure). However,</p>	<p>We disagree with the observation that there were unconfirmed Transfers from Government Entities</p> <p>We wish to confirm that we provided a copy of the bank statement for Co-operative Bank of Kenya Ltd, Exchequer account which had a bank balance of Kshs. 3,613,156,401 as at the close of business on 30th June 2023 in support of Kapchorwa-Suam-Kitale and Eldoret Bypass Roads Project</p>	Not Resolved	Continuous

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Reference No. on the external audit Report	Issue/Observations from Auditor	Management Comments	Status	Timeframe
	<p>management did not maintain a separate cashbook for the project and receipts could not be confirmed to the cashbook and bank statements.</p> <p>In the circumstances, the accuracy and completeness of the transfers from Government entities of Kshs. 126,899,792 for the year ended 30 June 2023 could not be confirmed.</p>	<p>closing cash and cash equivalents balance of Kshs 30,745 as at 30th June 2023.</p> <p>This is because the project cash and cash equivalent balance is held at the Co-operative Bank of Kenya Ltd account which receives and pays out all Exchequer proceeds to contractors, consultants, vendors, and other project beneficiaries.</p> <p>Please note that the opening, operation, and closure of Authority's bank accounts are guided by: -</p> <ol style="list-style-type: none"> 1. Section 28 (1) of the Public Finance Management Act, 2012, 2. Part VII: Management of Grants and Donations under the Public Finance Management (National Government) Regulations 2015, specifically Section 71 3. Section 82 of the Public Finance Management (National Government) Regulations 2015, 4. Duly signed Project Financing Agreement, and 5. Section 4.10 of the Authority's Finance Policy on Cash and Treasury Management. <p>Despite the lack of a designated project bank account, the Authority operates a dynamic accounting electronic system that transacts and maintains accurate financial records.</p>		
3	<p>Unsupported Acquisition of Land</p> <p>The statements of receipts and payments reflects acquisition of non- financial assets balance of Kshs. 1,245,774,512 and which as disclosed in Note 4 to the financial statements includes acquisition of land of Kshs. 16,058,817. The expenditure was in respect of compensation to the project affected persons. However, management did not provide acknowledgement letters,</p>	<p>We agree with the auditor's observation that the Authority did not receive back acknowledgement letters/receipts from National Land Commission and payment documents to confirm transmission of the money to the respective beneficiaries for land acquisition.</p> <p>The funds are transmitted electronically from KeNHA to NLC and there is no receipt given by NLC.</p> <p>We further clarify that the beneficiaries are chosen for</p>	Not Resolved	Continuous

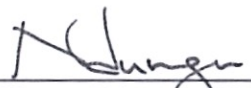
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status	Timeframe
	<p>receipts and payments documents from the National Land Commission to confirm transmission of the money to the intended beneficiaries. In addition, Management did not provide a policy on how the land beneficiaries were identified and prioritized, and payments were based on a list prepared by the project engineers and contractors.</p> <p>In the circumstances, the property completeness of the acquisition of land expenditure of Kshs. 16,058,817 for the year ended 30 June 2023 could not be confirmed.</p>	<p>payment based on the priority areas for road construction.</p>		
4	<p>Unsupported Cash and Cash Equivalents</p> <p>The statement of financial assets reflects bank balances of Kshs 8,351,355 which as disclosed in Note 5 to the financial statements relates to two (2) bank accounts. However, bank reconciliation statements and bank confirmation certificates for the two bank accounts were not provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of the bank balances of Kshs. 8,351,355 could not be confirmed</p>	<p>We agree with the audit observation that the bank reconciliation statements, and bank confirmation certificates were not provided for audit verifications.</p> <p>As explained during the audit, we wish to clarify that the balance is made up of Kshs. 4,768,528 held in National Bank Retention account and Ksh.3,582,827 held in Co-operative Bank exchequer account.</p>	Not Resolved	Continuous

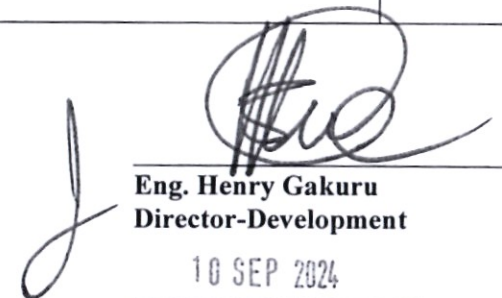
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
1	<p>Other Matter Unresolved Prior Year Matters In the audit report of the previous year, several issues were raised. However, it is not clear, and Management has not indicated how each of the issues raised in the previous year Auditor General's report, was resolved, including the information required under the prescribed reporting format.</p>	<p>We have noted the auditor's observation on unresolved prior year matters. The Authority is working closely with the Parent Ministry and Office of the Auditor General with an aim of resolving all prior year audit matters.</p>	Not Resolved	Continuous
2	<p>Budgetary Control and Performance The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.1,576,899,792 and Kshs.1,264,041,974 respectively, resulting to an under-funding of Kshs.312,857,818 or 20% of the budget. Similarly, the Project expended Kshs.1,259,266,820 against an approved budget of Kshs.1,576,899,792 resulting to an under-expenditure of Kshs.317,632,972 or 20% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>We agree with the auditor's observation that there was an under-absorption of Kshs. 312,857,818 or 22% of the budget for foreign borrowing and that the actual amount received on comparable basis is Kshs. 1,137,142,182 resulting to an under- absorption of Kshs. 312,857,818 or 22% of the budget. We wish to clarify that this was because of the delays in processing the contractor's addendum hence resulting in slow progress of works and low absorption of funds</p>	Not Resolved	Continuous
3	<p>Lack of itemised Budget During the year under review, the budget presented for audit lacked details and itemization of component which hindered the assessment of financial performance and resource allocation within the project. This was contrary to IPSAS 24 which</p>	<p>We agree with the observation. By nature, and practice appropriation by the National Assembly to the project is on a specific line by line individual project. This is the form in which the project budgets are uploaded onto IFMIS and availed for expenditure. A line by line individual project budget was availed during the audit as correctly indicated. However, for purposes of presentation in the financial statements, the requirement is not to present them per</p>	Not Resolved	Continuous

Multinational Uganda –Kenya: Karohorwa –Suam – Kitale & Eldoret Town Bypass Roads Annual Report and Financial Statements for the financial year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status	Timeframe:
	<p>provides guidance on how budgetary information should be presented and disclosed, including the itemization of budgetary amounts.</p> <p>In the circumstances, Management did not comply with provisions of International Public Sector Accounting Standards in presentation of budget.</p>	<p>project as in IFMIS but by the nature of expenditure as per the template provided by the Public Sector Accounting Standards Board (PSASB).</p>		


 Eng. Kungu Ndungu, MBS
 Director General
 10 SEP 2024
 Date


 Eng. Henry Gakuru
 Director-Development
 10 SEP 2024
 Date

Multinational Uganda –Kenya: Kapchorwa –Suam – Kitale & Eldoret Town Bypass Roads Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 2: Variance explanations - Comparative Budget and Actual amounts for 2023/2024

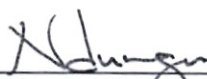
	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
Receipts	a	b	c=a-b	d=b/a %	
Transfer from Government entities	103,437,748	101,437,748	2,380,620	98%	
Proceeds from borrowings	2,000,000,000	1,855,349,243	-	93%	
Total Receipts	2,103,437,748	1,956,786,991	2,380,620	93%	
Payments					
Purchase of goods and services	2,103,437,748	2,781,873	146,663,367	93%	
Acquisition of non-financial assets:		1,953,992,508			
Total Payments	2,103,437,748	1,956,774,381	146,663,367	93%	

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Annex 3: Reconciliation of inter-entity transfers

Break down of Transfers from the State Department of Roads			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
a.	Government Counterpart Funding		
	13-Mar-24	91,176,095	FY 2023/24
	Total	91,176,095	
	Others	-	
b.	Fuel Levy Funds		
	RMLF	10,261,653	FY 2023/24
	Total	10,261,653	
c.	Annuity fund		
	Total	-	
d.	Appropriations-in-Aid		
	Total	-	
	Total (a+b+c+d)	101,437,748	

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


Eng. Kungu Ndungu, MBS
Director General

10 SEP 2024
Date


CPA Chanje Kera
Deputy Director (F&A)
ICPAK Member No. 8279
10 SEP 2024
Date

Multinational Uganda –Kenya: Kapchorwa –Suam – Kitale & Eldoret Town Bypass Roads Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 4: Analysis of Pending Bills

Supplier/Contractor	Date Invoiced	Original Amount	Amount Paid To- Date	Outstanding Balance FY 2023/24 c=a-b	Outstanding Balance FY 2022/23	Comments IPC/Fee Note number
		a	b			
Construction of civil works						
1 China State Construction	15-Nov-21	345,126,245	345,126,245	-	53,361,040	11
2 China State Construction	04-Mar-22	17,031,085	-	17,031,085	71,511,477	12
3 China State Construction	18-Mar-21	54,583,766	-	54,583,766	54,583,766	13
4 China State Construction	31-Aug-22	28,514,394	-	28,514,394	32,658,141	14
5 China State Construction	13-Dec-22	27,493,621	-	27,493,621	46,823,014	15
6 China State Construction	16-Jan-23	29,992,246	-	29,992,246	51,277,768	16
7 China State Construction	17-Feb-23	21,822,741	-	21,822,741	-	17
8 China State Construction	12-Apr-23	17,336,694	-	17,336,694	46,228,186	18
9 China State Construction	17-Apr-23	17,837,581	-	17,837,581	-	19
10 China State Construction	15-May-23	22,158,766	-	22,158,766	58,585,954	20
11 China State Construction	15-May-13	33,448,001	-	33,448,001	43,424,245	21
12 China State Construction	05-Jun-23	32,825,294	-	32,825,294	-	22
13 China State Construction	27-Jun-23	16,396,911	-	16,396,911	-	23
14 China State Construction	14-Aug-23	16,717,732	-	16,717,732	-	24
15 China State Construction	11-Feb-23	33,461,522	-	33,461,522	-	25
16 China State Construction	12-May-23	80,312,469	-	80,312,469	-	26
17 China State Construction	22-May-23	135,726,127	-	135,726,127	-	27
18 China State Construction	29-Apr-24	208,072,431	-	208,072,431	-	28
19 China State Construction	06-Jun-24	208,072,431	-	208,072,431	-	29
20 China State Construction	10-Jun-24	236,508,878	-	236,508,878	-	30
21 China Wu Yi Co. Ltd.	18-Mar-21	266,382,155	266,382,155	-	10,807,346	13
22 China Wu Yi Co. Ltd.	25-Jun-21	35,627,380	-	35,627,380	28,514,394	14
23 China Wu Yi Co. Ltd.	23-Sep-21	46,823,014	-	46,823,014	27,493,621	15
24 China Wu Yi Co. Ltd.	03-Dec-21	51,277,768	-	51,277,768	29,992,246	16
25 China Wu Yi Co. Ltd.	19-Jan-22	32,086,603	-	32,086,603	21,822,741	17
26 China Wu Yi Co. Ltd.	23-Feb-22	46,228,186	-	46,228,186	17,336,694	18
27 China Wu Yi Co. Ltd.	18-Apr-22	17,837,581	-	17,837,581	17,837,581	19
28 China Wu Yi Co. Ltd.	15-May-22	58,585,954	-	58,585,954	22,158,766	20
29 China Wu Yi Co. Ltd.	09-Jun-22	43,424,245	-	43,424,245	33,448,001	21
30 China Wu Yi Co. Ltd.	04-Aug-22	33,269,509	-	33,269,509	32,825,294	22
31 China Wu Yi Co. Ltd.	15-Dec-22	38,719,254	-	38,719,254	-	23
32 China Wu Yi Co. Ltd.	22-Jun-23	75,654,831	-	75,654,831	-	25
33 China Wu Yi Co. Ltd.	20-Dec-23	49,381,729	-	49,381,729	-	26
34 China Wu Yi Co. Ltd.	29-Apr-24	199,461,178	-	199,461,178	-	27
35 China Wu Yi Co. Ltd.	06-Jun-24	139,456,016	-	139,456,016	-	28
36 China Wu Yi Co. Ltd.						
Sub-Total		2,372,528,094	266,382,155	2,106,145,939	700,690,275	
37 Apec Consortium	26-Aug-20	51,277,768	32,917,715	18,360,053	-	4
38 Kaiboi Technical Training Institute	14-Jun-23	3,305,565	-	3,305,565	-	K.TTI/30/2022/2023
39 Vera Beauty & Fashion College	12-Aug-22	2,179,100	-	2,179,100	-	KeNHA/001/2022
Sub-Total		56,762,433	32,917,715	23,844,718	31,681,350	
Land Compensation		5,006,904,676	3,802,206,071	1,204,698,605	1,230,092,868	
Grand Total		7,436,195,203	4,101,505,941	3,334,689,262	1,962,464,493	

Annex 5: Summary of Fixed Assets Register

Asset class	Opening Cost (Restated)2023/24	Donations in form of assets 2023/24	Purchases/ Additions in the Year 2023/24	Disposals in the Year (KShs) 2023/24	Transfers in/(out) 2023/24	Closing Cost (KShs) 2023/24
	(KShs)	(KShs)	(KShs)	(KShs)	(KShs)	(KShs)
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)-(d)+(-)d
Research, studies, project preparation, design & supervision	919,694,656	-	164,127,645	-	-	1,083,822,301
Infrastructure assets (Roads)	8,534,687,337		1,622,541,403			10,157,228,740
Acquisition of land	3,776,811,808	-	25,394,263	-	-	3,802,206,071
Total	13,231,193,801	-	1,812,063,311	-	-	15,043,257,112

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Annex 6 Proceeds from Domestic and Foreign Grants

No	Date	Payee	Currency of Payment	Payment Reference	Amounts in respective Currency of IPC/fee note		Equivalent amount in reporting currency	Equivalent amount in Donor Currency	Description
					USD	Kshs	Kshs	Euro	
A	DISBURSEMENTS BY THE AFRICAN DEVELOPMENT FUND								
1	01/07/2023	Fariji Africa Counseling Consultancy Services	KES	WA207		2,840,043	2,840,043		
2	03/10/2023	Fariji Africa Counseling Consultancy Services	KES	PV 83988 WA 222		3,408,051	3,408,051		GBV Kitale-Endebess-Suam INV 362/2022/03
3	27/11/2023	Fariji Africa Counseling Consultancy Services	KES	WA223		2,272,034	2,272,034		
4	05/12/2023	Sari Consulting Ltd	USD	PV 86879 WA 234	18,210	2,787,232	2,787,232		Kitale -Endebess-Suam FN 55 USD
5	05/12/2023	Sari Consulting Ltd	KES	PV 86617 WA 228		4,426,161	4,426,161		Kitale -Endebess-Suam FN 50 KSHS
6	05/12/2023	Sari Consulting Ltd	USD	PV 86877 WA 232	20,119	3,079,343	3,079,343		Kitale -Endebess-Suam FN 53 USD
7	05/12/2023	Sari Consulting Ltd	USD	PV 86874 WA 229	211,503	32,373,002	32,373,002		Kitale -Endebess-Suam FN 51 USD
8	05/12/2023	Sari Consulting Ltd	KES	PV 86875 WA 230		31,886,278	31,886,278		Kitale -Endebess-Suam FN 51A KSHS
9	05/12/2023	Sari Consulting Ltd	USD	PV 86876 WA 231	81,224	12,891,492	12,891,492		Kitale -Endebess-Suam FN 52 USD
10	05/12/2023	Sari Consulting Ltd	KES	PV 86616 WA 227		1,092,064	1,092,064		Kitale -Endebess-Suam FN 49 KSHS
11	05/12/2023	Sari Consulting Ltd	KES	PV 86615 WA 226		2,586,138	2,586,138		Kitale -Endebess-Suam FN 48 KSHS
12	05/12/2023	Sari Consulting Ltd	KES	PV 86613 WA 224		572,944	572,944		Kitale -Endebess-Suam FN 46B KSHS
13	05/12/2023	Sari Consulting Ltd	KES	PV 86614 WA 225		3,831,320	3,831,320		Kitale -Endebess-Suam FN 47 KSHS
14	05/12/2023	Sari Consulting Ltd	USD	PV 86878 WA 233	20,068	3,071,588	3,071,588		Kitale -Endebess-Suam FN 54 USD
15	07/12/2023	Fariji Africa Counseling Consultancy Services	KES	PV 86905 WA 239		4,544,068	4,544,068		GBV; Kitale-Endebess-Suam & Eldoret Town Bypass INV 5
16	07/12/2023	Fariji Africa Counseling Consultancy Services	KES	PV86906 WA 240		4,544,068	4,544,068		GBV; Kitale-Endebess-Suam & Eldoret Town Bypass INV 6
17	08/12/2023	Centunion Espanola De Coordinacion Tecnica Y Financier	EUR	WA219		12,936,990	12,936,990	118,200	
18	03/01/2024	Itec Engineering Ltd	KES	PV86618 WA235		4,217,850	4,217,850		Kitale-Endebess-Suam(Road Safety Study) INV OP060/RSS/04 (AFDB Kshs)
19	03/01/2024	Abdul Mulick Associates Ltd	KES	PV86900 WA241		8,935,786	8,935,786		Eldoret Town Bypass 41(AFDB Kshs)
20	03/01/2024	Centunion Espanola De Coordinacion Tecnica Y Financier	EUR	PV86929 WA242		8,624,660	8,624,660	78,800	Bridge Management System BMS/No.5/21 (AFDB EUR)
21	13/02/2024	Vera Bauty & Fashion College Eldoret	KES	WA221		2,179,100	2,179,100		
23	09/08/2023	China State Construction Engineering Corp. Ltd	KES	PV83276 WA216		58,456,700	58,456,700		Kitale-Endebess-Suam 21A(AFDB USD)
25	14/08/2023	China State Construction Engineering Corp. Ltd	KES	PV83512 WA218		55,226,547	55,226,547		Kitale-Endebess-Suam 23(AFDB Kshs)
26	14/08/2023	China State Construction Engineering Corp. Ltd	KES	PV83531 WA217		63,599,943	63,599,943		Kitale-Endebess-Suam 25 (AFDB Kshs)
28	08/12/2023	China State Construction Engineering Corp. Ltd	KES	WA220		51,886,897	51,886,897		
29	03/01/2024	China State Construction Engineering Corp. Ltd	KES	PV86897 WA236		65,677,330	65,677,330		Kitale-Endebess-Suam 26 (AFDB Kshs)
30	03/01/2024	China State Construction Engineering Corp. Ltd	KES	PV86899 WA237		81,921,700	81,921,700		Eldoret Town Bypass 26(AFDB BUSD)
31	17/01/2024	China Wu Yi Co Ltd	KES	PV87632 WA243		96,164,420	96,164,420		Kitale-Suam IPC 21B USD
33	31/01/2024	China Wu Yi Co Ltd	KES	WA236		148,280,530	148,280,530		
39	25/06/2024	China State Construction Engineering Corp. Ltd	KES	PV91270 WA247		70,399,736	70,399,736		Kitale-Endebess-Suam 29 (AFDB USD)
41	26/06/2024	China State Construction Engineering Corp. Ltd	KES	PV91267 WA246		42,326,568	42,326,568		Kitale-Suam IPC KES
		TOTAL DISBURSEMENTS BY ADF				887,040,584	887,040,584		
A	DISBURSEMENTS BY THE AFRICAN DEVELOPMENT BANK								
24	09/08/2023	China State Construction Engineering Corp. Ltd	USD	PV83275 WA51	1,060,525	109,125,062	109,125,062		Kitale-Endebess-Suam 22(AFDB Kshs)
27	14/08/2023	China State Construction Engineering Corp. Ltd	USD	PV83511 WA53	20,600	2,119,715	2,119,715		Kitale-Endebess-Suam 21(AFDB Kshs)
32	17/01/2024	China Wu Yi Co Ltd	USD	PV87631 WA056	1,503,864	155,942,302	155,942,302		Eldoret Town Bypass 26(AFDB Kshs)
34	04/03/2024	China State Construction Engineering Corp. Ltd	USD	PV 88400 WA 57	44,606	4,589,788	4,589,788		Kitale-Suam IPC 23 USD
35	04/03/2024	China State Construction Engineering Corp. Ltd	USD	PV 8841 WA 58	195,444	20,110,602	20,110,602		Kitale-Suam IPC 24 USD
36	04/03/2024	China State Construction Engineering Corp. Ltd	USD	PV 88402 WA 59	325,194	33,461,522	33,461,522		Kitale-Suam IPC 25 USD
37	04/03/2024	China State Construction Engineering Corp. Ltd	USD	PV 88403 WA 60	1,470,980	151,359,752	151,359,752		Kitale-Suam IPC 26USD
38	04/03/2024	China State Construction Engineering Corp. Ltd	USD	PV 88404 WA 61	522,265	53,739,631	53,739,631		Kitale-Endebess-Suam 29 (AFDB Kshs)
40	25/06/2024	China State Construction Engineering Corp. Ltd	USD	PV91270 WA63	1,596,409	164,266,051	164,266,051		Kitale-Endebess-Suam 28 (AFDB USD)
42	26/06/2024	China State Construction Engineering Corp. Ltd	USD	PV91267 WA62	1,279,578	131,665,035	131,665,035		Kitale-Endebess-Suam 28 (AFDB Kshs)
		TOTAL DISBURSEMENTS BY ADB				826,379,461	826,379,461		
Total Loan from External Development Partners(ADB & ADF)						1,713,420,045	1,713,420,045		