

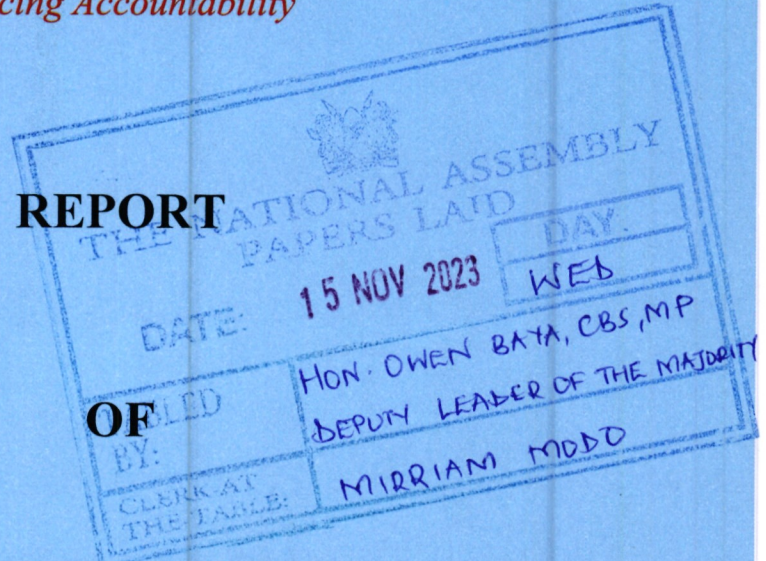
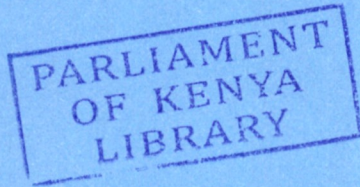
REPUBLIC OF KENYA



Enhancing Accountability



REPORT



THE AUDITOR-GENERAL

ON

**NAIROBI - THIKA HIGHWAY IMPROVEMENT
PROJECT LOT 3 GOVERNMENT
CONCESSIONAL LOAN AGREEMENT
NO. (2009) 39 TOTAL NO. (290)**

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

KENYA NATIONAL HIGHWAYS AUTHORITY



MINISTRY OF ROADS AND TRANSPORT



Kenya National Highways Authority

Quality Highways, Better Connections

NAIROBI – THIKA HIGHWAY IMPROVEMENT PROJECT LOT 3

KENYA NATIONAL HIGHWAYS AUTHORITY

CHINA EXIM BANK GCL NO. (2009) 39 TOTAL NO. (290) - 1290003022009110585

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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

Nairobi-Thika Highway Improvement Project Lot 3
Annual Report and Financial Statements for the financial year ended June 30, 2023

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1. Acronyms and Glossary of Terms

CBK	Central Bank of Kenya
CPA	Certified Public Accountant
CIPS	Chartered Institute of Purchasing & Supply
ICPAK	Institute of Certified Public Accountants of Kenya
EXIM	The Export–Import Bank of China
FY	Financial Year
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
KeNHA	Kenya National Highways Authority`
KISM	Kenya Institute of Supply Management
Kshs.	Kenya Shillings
MRT	Ministry of Roads and Transport
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
RMB	Renminbi
SDG	Sustainable Development Goals

2. Project Information and Overall Performance

2.1 Name and registered office

Name: Nairobi-Thika Road Improvement Project (Kenyatta University – Thika) Lot 3

Objective: The objective of the Project is to improve the accessibility, affordability and reliability of the transport infrastructure system to promote economic growth and socio-economic development in Kenya.

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: +254-21-495000

E-mail: dg@kenha.co.ke

Website: www.kenha.co.ke

2.2 Project Information

Project Start Date:	18 th December, 2009
Project End Date:	2014
Project Manager:	Eng. Cleophas. Makau – Project Implementation Team Leader
Project Sponsor:	1. Government of Kenya(GoK) 2. Export & Import Bank of China

2.3 Project Overview

Line Ministry/State Department of the Project	The Ministry of Roads and Transport.
Project Number	CHINA EXIMBANK GCL NO. (2009) 39 TOTAL NO. (290) - 1290003022009110585

*Nairobi -Thika Highway Improvement Project Lot 3
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Project Information and Overall Performance (continued)

Strategic goals of the project	The project management aims to achieve the goals through the following means:- (i) Increase efficiency of road transport along the Nairobi – Thika Road and open areas surrounding Nairobi and Thika for development investments and trade purposes. (ii) Promote private sector participation in the management, financing and maintenance of roads assets.
Achievement of strategic goals	(i) Construction of 23.88 Kms of road between Kenyatta University and Thika town.
Other important background information of the project	The Nairobi – Thika road is an important link on the Great North Trans-African Highway (Cape Town to Cairo) and is part of the East Africa Community Regional Trunk Road Network
Areas that the project was formed to intervene	(i) To rehabilitate and expand physical infrastructure. (ii) Promote regional transport and trade with Ethiopia and Tanzania.
Project duration	Six years The project has since been completed and handed over to the Government of Kenya.

2.4 Bankers

Co-operative Bank Limited
KUSSCO Branch
Nairobi

2.5 Independent Auditor

Auditor General
Office of the Auditor General
P.O. Box 30084 - 00100 GPO
Nairobi

2.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Eng. H. Gakuru	Ag. Director Development	Registered Engineer	Overall Development Projects oversight
Eng. C. Makau	Project Implementation Team Leader	Registered Engineer	Project Implementation Team Leader
Mr. P. Wachira	Chief Finance Officer	Financial Expert	Project Financial Management Specialist
Ms. L. Wanyonyi	Deputy Director Supply Chain Management	Registered KISM & CIPS Member	Project Procurement Specialist

Project Information and Overall Performance (continued)

2.7 Funding summary

The project duration was 6 years from 2009 to 2014 with an approved budget of RMB 87,545,228 equivalent to Kshs. 8,423,271,316 as highlighted in the table below:

A) Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30.06.2023)		Undrawn balance to date (30.06.2023)	
	RMB	Kshs	RMB	Kshs	RMB	Kshs
	(A)	(A')	(B)	(B')	(A)- (B)	(A')- (B')
(i) Loan						
China EXIM Bank	87,545,228	8,423,271,316	87,545,228	8,423,271,316	-	-
(ii)Counterpart funds						
Government of Kenya	-	1,174,026,581	-	1,174,026,581	-	-
Total	87,545,228	9,597,297,897	87,545,228	9,597,297,897	-	-

B) Application of Funds

Application of funds	Amount received to date – (30.06.2023)		Amount paid to date – (30.06.2023)		Undrawn balance to date (30.06.2023)	
	RMB	RMB	RMB	Kshs	RMB	Kshs
	(B)	(B')	(B)	(B')	(A)- (B)	(A')-(B')
(i) Loan						
China EXIM Bank	87,545,228	8,423,271,316	87,545,228	8,423,271,316	-	-
(ii)Counterpart funds						
Government of Kenya	-	1,174,026,581	-	1,170,576,581	-	3,450,000
Total	87,545,228	9,597,297,897	87,545,228	9,593,847,897	-	3,450,000

2.8 Summary of Overall Project Performance:

This project has since been completed and handed over to the Government of Kenya.

2.9 Summary of Project Compliance:

There were no instances of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants.

3. Statement of Performance against Project's Predetermined Objectives

The key development objectives of the project are to:

- (i) Improve road transport services along the Nairobi-Thika corridor and enhance urban mobility within the metropolitan area by reducing traffic congestion.
- (ii) Contribute to the development of a sustainable urban public transit system for the Nairobi Metropolitan Area
- (iii) Promote private sector participation in the management, operation, and financing of road infrastructure in Kenya

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 and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Nairobi – Thika Highway Improvement. Lot 3	<p>Improve road transport services along the Nairobi-Thika corridor and enhance urban mobility within the metropolitan area by reducing traffic congestion.</p> <p>Contribute to the development of a sustainable urban public transit system for the Nairobi Metropolitan Area</p> <p>Promote private sector participation in the management, operation, and financing of road infrastructure in Kenya</p>	<p>Improved service with reduced travel time reduced delays, and fewer accidents</p> <p>Policy measures, plans and investment programs to implement Nairobi Metro System prepared MOT contract concluded between the GOK and Private entity</p>	<p>Traffic flow volumes, vehicle delays, speed, number of accidents, transit/para-transit fare</p>	<p>Average travel time during peak hour from Nairobi to Thika reduced by 60% from 2.5 hours to 1 hour</p> <p>Average annual accident rate on the Nairobi-Thika section reduced by 70% from 230 to less than 70. The average public transport fare from Nairobi to Thika reduced by 30%.</p> <p>The Highway is already under Performance based maintenance contracts.</p>

4. Environmental and Sustainability Reporting

Nairobi -Thika Highway Improvement Project Lot 3 exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

1. Sustainability strategy and profile

Sustainable Development Goals (SDGs) 2115-2130 provides a plan of action for the people and their prosperity. Five out of the seventeen goals are pertinent to management of projects being undertaken by the Authority. These are being addressed through the following initiatives;

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

2. Environmental performance

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

Environmental and Sustainability Reporting (Continued)

3. Employee welfare

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

4. Market place practices

The Authority strives to ensure responsible competition practices through undertaking annual governance audits in projects, monitoring the implementation of policies and further promotes ethical conduct in projects. The Authority equally sensitizes staff on corruption and integrity. The Authority undertakes to be actively involved in the negotiations during budget sector hearings in order to increase budgetary allocations for projects thus honouring contracts by paying its liabilities on time.

5. Community Engagements

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

The Contractor has been involved in various CSR activities geared towards 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, KeNHA and the Project Implementation Team Leader for Nairobi – Thika Highway Improvement Project Lot 3 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 (period) ended on **June 30, 2023**. 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.

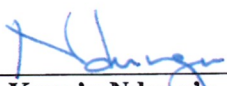
The Director General, KeNHA and the Project Implementation Team Leader for Nairobi – Thika Highway Improvement Project Lot 3 accept responsibility for the Project’s financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Director General, KeNHA and the Project Implementation Team Leader for Nairobi – Thika Highway Improvement Project Lot 3 are of the opinion that the Project’s financial statements give a true and fair view of the state of Project’s transactions during the financial year ended **June 30, 2023**, and of the Project’s financial position as at that date. Director General, KeNHA and the Project Implementation Team Leader for Nairobi – Thika Highway Improvement Project Lot 3 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.

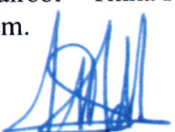
The Director General, KeNHA and the Project Implementation Team Leader for Nairobi – Thika Highway Improvement Project Lot 3 confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial 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, KeNHA and the Project Implementation Team Leader for Nairobi – Thika Highway Improvement Project Lot 3 on 26 SEP 2023 and signed by them.



Eng. Kung'u Ndung'u
Director General



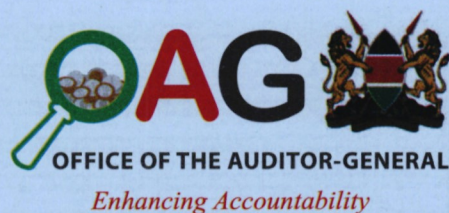
Eng. Henry Gakuru
Ag. Director Development



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

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NAIROBI - THIKA HIGHWAY IMPROVEMENT PROJECT LOT 3 GOVERNMENT CONCESSIONAL LOAN AGREEMENT NO. (2009) 39 TOTAL NO. (290) FOR THE YEAR ENDED 30 JUNE, 2023 - 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

Opinion

I have audited the accompanying financial statements of Nairobi - Thika Highway Improvement Project Lot 3 Government Concessional Loan Agreement No. (2009) 39

Report of the Auditor-General on Nairobi - Thika Highway Improvement Project Lot 3 Government Concessional Loan Agreement No. (2009) 39 Total No. (290) for the year ended 30 June, 2023 - Kenya National Highways Authority

Total No.(290) set out on pages 1 to 15, which comprise the statement of financial assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Nairobi - Thika Highway Improvement Project Lot 3 as at 30 June, 2023, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and Loan Agreement No.1290003022009110585 between Export Import Bank of China and the Government of the Republic of Kenya dated 18 December, 2009.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nairobi - Thika Highway Improvement Project Lot 3 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 audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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 effects of 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. Apparent Comingling of Project Funds

As disclosed in Note 3 to the financial statements, the statement of financial assets reflects bank balances amounting to Kshs.3,540,000. The amount is held in a

development fund account in Co-operative Bank of Kenya, that included funds from other all totalling to Kshs.3,583,579,601. It was therefore not possible to separate and reconcile the project bank balance amount of Kshs.3,540,000 from the composite balance of Kshs.3,583,579,601.

In the circumstances, Management ought to keep separate books of accounts existence of the bank balance of Kshs.3,540,000 could not be confirmed.

2. Avoidable Expenditure on Pending Bills

Annex 4 to the financial statements reflects opening pending bills payable in respect of road contractors totalling to Kshs.674,721,327. During the year under review, an amount of Kshs.124,050,000 was paid resulting to a closing balance of kshs.550,671,327 as at 30 June, 2023. Management indicated that this relates to interest charged on delayed settlement of the final payment certificates due to low Government of Kenya (GoK) development budget ceilings. Further, the donor commitment and GoK counterpart funding totalling to Kshs.9,469,797,897 was fully received and paid out for the project, which was completed and handed over to the GoK in 2014.

In the circumstances, the Project continues to incur avoidable expenditure in form of accrued interest due to delayed payment that could have been avoided leading to wasteful utilization of public resources.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 Financier and Financing Agreement I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. in my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


13 October, 2023

Nairobi -Thika Highway Improvement Project Lot 3
Annual Report and Financial Statements For the financial year ended June 30, 2023


7. Statement of Receipts and Payments for the year ended 30th June 2023.

Note	2022-2023			2021-2022			Total	Cumulative to-date
	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total		
	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
Receipts								
Transfers from Government	127,500,000	-	127,500,000	116,274,109	-	116,274,109	1,174,026,581	
Loan from external development partners	-	-	-	-	-	-	8,423,271,316	
Total Receipts	127,500,000	-	127,500,000	116,274,109	-	116,274,109	9,469,797,897	
Payments								
Acquisition of non-financial assets	124,050,000	-	124,050,000	116,274,109	-	116,274,109	9,593,847,897	
Total Payments	124,050,000	-	124,050,000	116,274,109	-	116,274,109	9,593,757,897	
Surplus/(Deficit)	3,450,000	-	-	-	-	-	3,540,000	

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


Eng. Kung'u Ndung'u
Director General


Eng. Henry Gakuru
Ag. Director Development

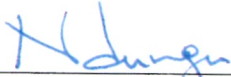

CPA Chanje Kera
Deputy Director (F&A)
ICPAK Member No. 8279

Nairobi -Thika Highway Improvement Project Lot 3
Annual Report and Financial Statements for the financial year ended June 30, 2023


8. Statement of Financial Assets as at 30th June 2023

	Note	2022-2023 Kshs	2021-2022 Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	3	3,450,000	-
Total Cash and Cash equivalents		3,450,000	-
Imprest and Advances		-	-
Total Financial Assets			
Financial Liabilities			
Deposits and Retention monies		-	-
Net Assets		3,450,000	-
Represented By:			
Fund balance b/fwd		-	-
Prior Year adjustments		-	-
Surplus/Deficit for the year		3,450,000	-
Net Financial Position		3,450,000	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 26 SEP 2023 and signed by:


Eng. Kung'u Ndung'u
Director General


Eng. Henry Gakuru
Ag. Director Development

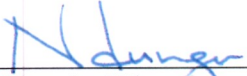

CPA Chanje Kera
Deputy Director (F&A)
ICPAK Member No. 8279

Nairobi-Thika Highway Improvement Project Lot 3
Annual Report and Financial Statements for the financial year ended June 30, 2023

9. Statement of Cashflow for the year ended 30th June 2023

Description		2022-2023	2021-2022
		Kshs	Kshs
Receipts	<i>Note</i>		
Transfer from Government entities	1	127,500,000	116,274,109
Proceeds from domestic and foreign grants		-	-
Miscellaneous receipts		-	-
Total Receipts		127,500,000	116,274,109
Payments			
Compensation of employees		-	-
Purchase of goods and services		-	-
Transfers to other government entities		-	-
Other grants and transfers		-	-
Other payments		-	-
Total Payments			
Adjustments during the year		-	-
Net cash flow from operating activities		<u>127,500,000</u>	<u>116,274,109</u>
Cashflow From Investing Activities			
Acquisition of non-financial assets	4	(124,050,000)	(116,274,109)
Net cash flows from Investing Activities		<u>(124,050,000)</u>	<u>(116,274,109)</u>
Cashflow from financing activities			
Proceeds From Foreign Borrowings		-	-
Net cash flow from financing activities		-	-
Net Increase in cash and cash equivalent	3	3,450,000	-
Cash and cash equivalent at beginning of the year		-	-
Cash and cash equivalent at end of the year		<u><u>3,450,000</u></u>	<u><u>-</u></u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. These financial statements were approved on 26 SEP 2023 and signed by:


 Eng. Kung'u Ndung'u
 Director General


 Eng. Henry Gakuru
 Director Development

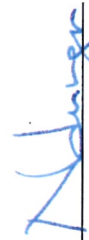

 CPA Chanje Kera
 Deputy Director (F&A)
 ICPAK Member No. 8279

Nairobi -Thika Highway Improvement Project Lot 3
Annual Report and Financial Statements for the financial year ended June 30, 2023


10. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2023

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Variance	% of Variance
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	50,000,000	77,500,000	127,500,000	127,500,000	-	100%
Total Receipts	50,000,000	77,500,000	127,500,000	127,500,000	-	100%
Payments						
Acquisition of non-financial assets	50,000,000	77,500,000	127,500,000	124,050,000	3,450,000	97%
Total Payments	50,000,000	77,500,000	127,500,000	124,050,000	3,450,000	97%
Surplus or (Deficit)	-	-	-	-	3,450,000	-

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


 Eng. Kung'u Ndung'u
 Director General


 Eng. Henry Gakuru
 Ag. Director Development


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

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 Nairobi – Thika Highways Improvement Project-Lot 3 under Kenya National Highways Authority. The financial statements encompass the reporting entity as required by Section 81 of the PFM Act 2012.

c) Reporting currency

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

d) Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

Significant Accounting Policies (Continued)

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing

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

vi) Undrawn external assistance

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

e) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

Significant Accounting Policies (Continued)

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

f) In-kind donations

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

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Significant Accounting Policies (Continued)

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.

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,

Significant Accounting Policies (Continued)

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

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

k) Contingent Assets

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

l) Pending bills

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

m) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners,

Significant Accounting Policies (Continued)

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. During the year Kshs Nil being loan disbursements were received in form of direct payments from third parties.

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 the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

p) Comparative figures

Where necessary comparative figures for the previous financial year/period have been amended or reconfigured to conform to the required changes in financial 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, 2023**.

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). There was no prior year adjustment during the year.

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	KShs		Cumulative to-date (from inception)
	2022-2023	2021-2022	
<i>Counterpart funding through the line Ministry</i>			
Counterpart funds Quarter 1	12,500,000	112,785,886	143,943,460
Counterpart funds Quarter 2	-	3,488,223	240,238,223
Counterpart funds Quarter 3	-	-	50,000,000
Counterpart funds Quarter 4	115,000,000	-	739,844,898
Total (See Annex 3)	127,500,000	116,274,109	1,174,026,581

2. Loan from External Development Partners

This Financing Agreement lapsed in FY 2014/15 hence no funding was received from development partners in the form of loans negotiated by the National Treasury. However cumulatively an amount of Kshs 8,423,271,316 has been received.

Description	2022-2023				2021-2022	Cumulative to date
	Name of Donor	Amount in loan currency	Loans received in actual amount	Loans received as direct payment*	Total amount in Kshs	
	RMB	Kshs	Kshs	Kshs	Kshs	Kshs
Loans received from bilateral Donors (Foreign Governments)						
The Export – Import Bank of China						8,423,271,316
Total						8,423,271,316

Notes to the Financial Statements (Continued)

3. Bank Accounts

Project Bank Accounts

Details	2022-2023	2021-2022
	Kshs	Kshs
<u>Local Currency Accounts</u>		
Co-operative Bank of Kenya	3,450,000	-
National Bank of Kenya -Retention Account	-	-
Total local currency balances	3,450,000	-
Total bank account balances	3,450,000	-

The Co-operative Bank Account -Exchequer Account is the Main KeNHA bank account where all GoK funds are transacted from.

4. Acquisition of Non-Financial Assets

Description	2022-2023			2021-2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	
Construction of roads	124,050,000	-	124,050,000	116,274,109	9,593,847,897
Total	124,050,000	-	124,050,000	116,274,109	9,593,847,897

5. Changes in Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Opening accounts payables as at 1 st July	674,721,327	116,274,109
Closing accounts payables as at 30 th June	550,671,327	674,721,327
Change in payables	(124,050,000)	(558,447,218)

Notes to the Financial Statements (Continued)

Other Important Disclosures

1. Pending Accounts Payable (Annex 4)

	Balance b/f 2022/23	Additions for the year	Paid during the year	Balance c/f 2022/23
	Kshs	Kshs	Kshs	
Construction of roads	674,721,327	-	124,050,000	550,671,327
	674,721,327	-	124,050,00	550,671,327
	=====	=====	=====	=====

*Nairobi-Thika Highway Improvement Project Lot 3
Annual Report and Financial Statements for the financial year ended June 30, 2023
13. Annexes*

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Basis for Opinion Unqualified Opinion Unsupported Pending Bills</p> <p>Note 12.1 and Annex 3 to the financial statements reflects pending bills payable in respect of road contractors totaling Kshs. 674,721,327 which was contracted on 30 June, 2022. The Management indicated that this relates to interest charged on delayed settlement of the final payment certificates due to low Government of Kenya (GoK) development budget ceiling. However, the Final payment</p>	<p>It is true that during the year under review, an amount of Kshs. 116,274,10 was paid. This amount relates to the final balance amount for the Final Statement certified in June, 2020. This was shared during the audit for verification.</p> <p>It is true the pending bill of Kshs. 674,721,327 was first reported in the financial statements in the financial year 2021/2022. This is because the same relates to interest on delayed payments which can only be determined and computed after final settlement of all the pending bills which was in the reporting financial year 2021/2022 hence the same could not be disclosed in the financial</p>	<p>Pending</p>	<p>November, 2023</p>

**Nairobi -Thika Highway Improvement Project Lot 3
Annual Report and Financial Statements for the financial year ended June 30, 2023**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>certificate of which the interest is paid has not been provided for audit verification.</p> <p>Further, the donor commitment and Government of Kenya (GoK) counterpart funding totaling Kshs. 9,469,797,897 was fully received and paid out for this project which was completed and handed over to the GoK in 2014.</p>	<p>year 2020/2021. This IPC was also submitted and approved in the financial year under audit hence it could not have been accounted for in the previous financial year.</p> <p>During the audit, the certificate for the pending bill of Kshs. 674,721,327 was availed for audit and the same has a tabulation of the computations and the basis of the computations.</p>		
	<p>Basis for Conclusion Unsupported Budget</p> <p>The statement of budget and actual amounts indicates a final budget of Kshs. 247,500,000. However, the disclosed amount of pending bills as at 30th June, 2021 was Kshs. 116,274,109 which was paid fully during the year under</p>	<p>The Statement at Completion and the Final Statement which were part of pending bills as at 30th June 2022, the basis for the Approved budgets for the financial years 2020/2021 and 2021/2022.</p> <p>Due to Exchequer constraints, the amounts could not be settled in full when they were incurred. As</p>	<p>Pending</p>	<p>November,2023</p>

*Nairobi -Thika Highway Improvement Project Lot 3
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>review. The approved project work plans in support of the budget were not provided for audit verification. The project was completed and handed over in 2014.</p>	<p>provided in the contract, Interest of Kshs. 674,721,327 could not be ascertained nor disclosed until the final balance for the Statement at Completion and the Final Statement was paid being August, 2021. In addition, the Invoice for the interest was submitted in May, 2022 and hence its disclosure in the financial statements for the year 2021/2022.</p>		


Eng. Kung'u Ndung'u
Director General


Eng. Henry Gakuru
Ag. Director Development

Nairobi -Thika Highway Improvement Project Lot 3

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

Annex 2 - Variance explanations - Comparative Budget and Actual amounts for FY 2022-2023

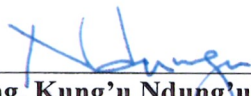
Item	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	a	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	127,500,000	127,500,000	-	100%	
Total Receipts	127,500,000	127,500,000	-	100%	
Payments					
Acquisition of non-financial assets	127,500,000	124,050,000	3,450,000	97%	
Total Payments	127,500,000	124,050,000	3,450,000	97%	


*Nairobi -Thika Highway Improvement Project Lot 3
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 3: Reconciliation of inter-entity transfers

Break down of Transfers from the State Department of Roads				
A	Counterpart funding through Ministry			
		Bank Statement Date	Amount (KShs)	Financial Year
	Quarter 1	30-Sep-22	12,500,000	FY 2022/23
	Quarter 2	-	-	-
	Quarter 3	-	-	-
	Quarter 4	16-May-23	115,000,000	FY 2022/23
	Total		127,500,000	
B.	Direct payments			
		Bank Statement Date	Amount (Kshs)	
			-	
	Total		-	
C.	Others		--	
		Bank Statement Date	Amount (Kshs)	
			-	
			-	
	Total		--	
		Total (A+B+C)	127,500,000	

The above amounts have been communicated to and reconciled with the parent Ministry/ State Department


Eng. Kung'u Ndung'u
 Director General


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

Nairobi-Thika Highway Improvement Project Lot 3
Annual Report and Financial Statements for the financial year ended June 30, 2023

Annex 4 - Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
		a	b	C - a- b		
Construction of road						
Shengli Engineering	22/06/2022	674,721,327	124,050,000	550,671,327	674,721,327	Interest
Total		674,721,327	124,050,000	550,671,327	674,721,327	

Annex 5 – Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2022/23	Donations in form of assets (KShs) 2022/23	Purchases/Additions in the Year (KShs)	Disposals in the Year (KShs)	Transfers in/(out) Kshs 2022/23	Closing Cost (KShs) 2022/23
	(a)	(b)	(c)	(d)	(e)	(e)= (a)+ (b)+c)-(d)+(-)e
Road Assets	9,469,797,897	-	124,050,000	-	-	9,593,847,897
Total		-	124,050,000	-	-	9,593,847,897



THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT - (SECOND SESSION)

Approved
SNP
15/11/23

Hon. Speaker
You may approve.
14.11.23

REQUEST FOR STATEMENT REGARDING DISAPPEARANCE OF MR. MOHAMED
OMAR DARA QOLATI IN GARSEN

Honourable Speaker, pursuant to the provisions of Standing Order 44(2)(c), I wish to request for a Statement from the Chairperson of the Departmental Committee on Administration and Internal Affairs regarding abduction and disappearance of Mr. Mohamed Omar Dara Qolati from Garsen Constituency.

Honourable Speaker, on 30th October 2023, Mr. Mohamed Omar Dara Qolati of ID No. 33708571 was abducted by alleged police officers while working at a petrol station in Tana Delta in Garsen Constituency. The abduction has raised concern regarding the fundamental rights of individuals pursuant to Article 29 of the Constitution as efforts to trace his whereabouts have not borne any fruits.

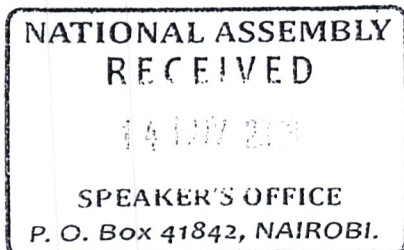
Honourable Speaker, it is against this background that I seek a Statement from the Chairperson of the Departmental Committee on Administration and Internal Security on the following-

- i. Could the Chairperson provide information to the House on the whereabouts of Mr. Mohamed Omar Dara Qolati?
- ii. What measures have been taken to ensure the said person is reunited with his family?

Thank you, Honourable Speaker.

THE HON. ALI WARIO, MP
MEMBER FOR GARSEN CONSTITUENCY

DATE: 14/11/2023





THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT - (SECOND SESSION)

Approved
8/10/23 D/SNA
15/11/2023

Hon. Speaker
You may approve
16.11.23

**REQUEST FOR STATEMENT REGARDING HARRASMENT OF KCSE
CANDIDATES IN CERTAIN SCHOOLS IN NYAMIRA COUNTY**

Honourable Speaker, pursuant to the provisions of Standing Order 44(2)(c), I wish to request for a Statement from the Chairperson of the Departmental Committee on Education regarding harassment of candidates undertaking the KCSE examinations in various schools within Kitutu Masaba Constituency, Nyamira County for alleged examination irregularities.

Honourable Speaker, following reported claim of examination irregularity at Nyambaria Boys High School and St. Paul's Gekano High School, candidates in the two schools have been subjected to harassment, intimidation and victimization. Whereas the Kenya National Examinations Council (KNEC) is obligated to ensure proper supervision of national examinations in order to guarantee its integrity, the unprofessional and intimidating manner in which supervision of the ongoing 2023 KCSE is being done completely deviates from acceptable standards. This has subjected candidates to psychological torture, a situation which might affect their desired output in the exams.

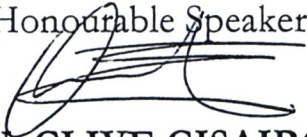
Honorable Speaker, on Monday, 6th November 2023, KNEC dispatched undercover supervisors to Nyambaria Boys and St. Paul's Gekano High School to invigilate the examinations instead of the authorized invigilators. Subsequently, the Center Managers of the two institutions were hastily suspended without adequate consideration of the merits of the causal claims. On Tuesday 14th November 2023, students in Nyambaria High, exasperated by the harassment, protested after security teams and invigilators ordered them to strip half-naked for frisking, which is a dehumanizing and retrogressive demand.

Honourable Speaker, it is against this background that I request for a Statement from the Chairperson of the Departmental Committee on Education on the following:

- (i) Why are candidates being subjected to harassment during the examination time?
- (ii) State the reasons why Nyambaria Boys and St. Paul's Gekano seem to be targeted as centers for possible examination malpractice in the ongoing examinations.
- (iii) What are the supervisory measures that the Ministry of Education and the KNEC have put to mitigate incidences of examination irregularities in the ongoing KCSE and the recorded cases of malpractices, if any?

- (iv) State the extent of investigation of incidences in affected schools and assurances to safeguard innocent candidates from the risk of examination cancellation without due process?
- (v) What is the role of officers from the National Police Service and the Directorate of Criminal Investigations in examination centres and the extent to which they are allowed to enforce any measures against alleged examination malpractice to avoid harassment of candidates?

Thank you Honourable Speaker.



THE HON. CLIVE GISAIRO, MP
MEMBER FOR KITUTU MASABA CONSTITUENCY

DATE:.....16/11/2023.....