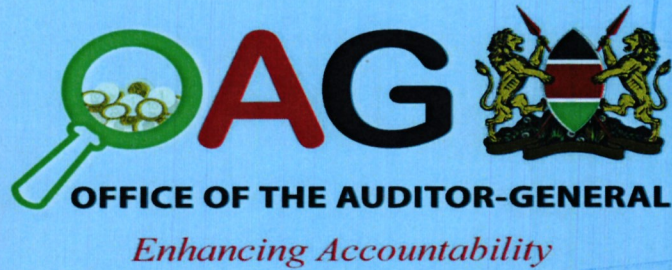


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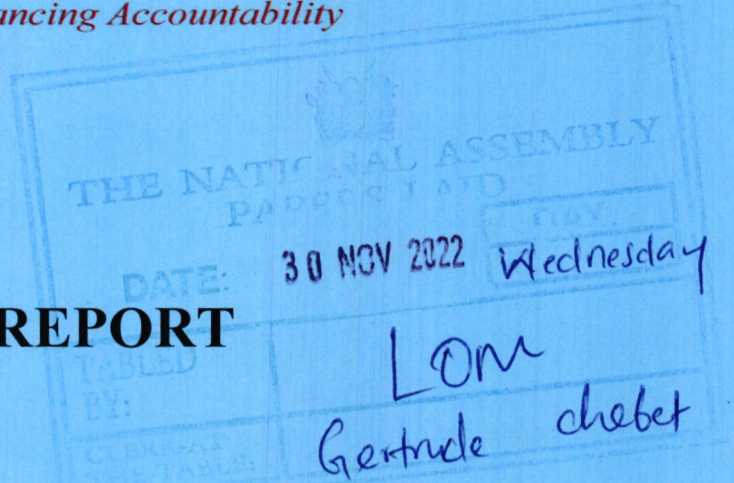
**REPORT
OF**

THE AUDITOR-GENERAL

ON

**NAIROBI METROPOLITAN AREA
TRANSPORT AUTHORITY**

**FOR THE YEAR ENDED
30 JUNE, 2021**



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

26 JUL 2022

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**THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY
(NaMATA)**

REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021**

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

THE NATIONAL ASSEMBLY PAPER LAID	
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THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For the year ended June 30, 2021

Table of Contents

Page

1. KEY ENTITY INFORMATION AND MANAGEMENT	ii
KEY ENTITY INFORMATION AND MANAGEMENT (Continued).....	v
2. THE BOARD OF DIRECTORS	vi
3. MANAGEMENT TEAM	xiii
4. CHAIRPERSON'S STATEMENT	xv
5. REPORT OF THE CHIEF EXECUTIVE OFFICER	xvii
I. CURRENT STATUS	xviii
BRT LINE 1	xviii
PILOT BRT LINE 2	xix
BRT CORE LINE 3	xx
6. REVIEW OF NAMATA'S REGULATORY & NON – COMMERCIAL ENTERPRISE 'S PERFORMANCE FOR FY 2020/2021	xxiii
7. CORPORATE GOVERNANCE STATEMENT	xxiv
8. MANAGEMENT DISCUSSION AND ANALYSIS	xxix
9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY	xxxiii
REPORTING	xxxiii
10. REPORT OF THE DIRECTORS	xxxv
11. STATEMENT OF DIRECTORS' RESPONSIBILITIES	xxxvii
12. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>ENTITY</i>	xxxviii
13. STATEMENT OF FINANCIAL PERFORMANCE	1
14. STATEMENT OF FINANCIAL POSITION	2
AS AT 30 JUNE 2021	2
15. STATEMENT OF CHANGES IN NET ASSETS	3
16. STATEMENT OF CASH FLOWS	4
FOR YEAR ENDED 30 JUNE 2021	4
17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	5
FOR THE YEAR ENDED 30 JUNE 2021	5
18. NOTES TO THE FINANCIAL STATEMENTS	6
APPENDIX I: PROJECTS IMPLEMENTED BY THE ENTITY	26
APPENDIX II: INTER-ENTITY TRANSFERS	27
APPENDIX III: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES	28

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Kenya has practiced traditional models of city development – without an effective transport and proper land use planning. In 2003 an inter-agency committee was formed by the then Minister for Transport to address problems affecting all sub-sectors of transport in the country. The committee came up with an Integrated National Transport policy that was approved by the Cabinet in 2009 and by Parliament as Sessional Paper no.2 of 2012. Among other recommendations was; development of Mass Rapid Transit System (MRTS) comprising of Bus Rapid Transit, Light Rail, Metro System and an elaborate non-motorized transport network and to carry out the integrated transport agenda with the Nairobi Metropolitan Area, the establishment of Nairobi Metropolitan Area Transport Authority (NaMATA). This recommendation was anchored into the Vision 2030 and subsequent Medium-Term Plans.

This led to the signing of MOU to establish NaMATA on 21st October 2014 between the Governors of the five NMA Counties of Nairobi City, Kajajido, Kiambu, Machakos and Murang'a and Cabinet Secretary for Transport and Infrastructure. This paved way for the establishment of Nairobi Metropolitan Area Transport Authority (NaMATA) steering Committee through Gazette Notice No. 1093 of 20th February 2015 supported by a secretariat.

In February 2017, Nairobi Metropolitan Area Transport Authority (NaMATA) was established by an Executive Order by His Excellency the President through Legal Notice No. 18 of 17th February 2017. The main objective is to develop a sustainable integrated public transport and a sustainable urban mobility plan for the Metropolitan Area.

A Mass Rapid Transit System (MRTS) map for the Nairobi Metropolitan Area has been developed and it identifies five (5) Bus Rapid Transit corridors with provision for upgrade to light rail and integration locations with the current commuter rail. These corridors are at various implementation stages and technical/ institutional set up initiatives are all being executed by different road agencies under the Ministry of Transport, Infrastructure, Housing Urban Development and Public Works (MoTIHU&PW). This stakeholders/agency multicity has created challenges in the definition of transport integration and sustainability principles along the predetermined MRTS corridors, hence the pertinence of establishment of NaMATA.

(b) Principal Activities

The mandate of the Authority is to:

- Develop a sustainable integrated public transport strategy for the Metropolitan Area;
- Develop a sustainable urban mobility plan for the Metropolitan Area derived from the strategy;
- Formulate and oversee the development of a sustainable, evidentially based, Integrated Mass Rapid Transit System Strategy;
- Plan, regulate and co-ordinate the supply of adequate and effective Mass Rapid Transit System;
- Formulate and implement programmes and policies for the overall improvement of public transportation systems within the Metropolitan Area;
- Provide an enabling environment for orderly and structured development of the mass transit system, including both bus rapid transit and commuter rail within the Metropolitan Area;
- Coordinate with other government agencies and other parties for the development and operation of transport infrastructure, facilities and works necessary for the discharge of the functions of the Authority;

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

- Develop an inventory and undertake continuous evaluation of the declared road network status within the Metropolitan Area;
- Formulate strategies to ensure overall improvement in traffic flow, planned and programmed traffic engineering and traffic management works within the Metropolitan Area;
- Ensure optimal utilisation of intermodal means of transport including air, road, rail and non-motorised transport and any other modes targeting mass movement within the Metropolitan Area;
- Assist in poverty alleviation by increasing economic efficiency through lower transport costs and prices within the Metropolitan Area;
- improve the environmental sustainability of the transport system in the Metropolitan Area; (m) facilitate the integration of transport and land use planning in the Metropolitan Area;
- Make better use of existing road space for all modes and reduce the need for the construction new roads within the Metropolitan Area;
- Regulate both on street and off-street parking on declared corridors and impose fees and penalties with respect thereto;
- Conduct studies and research for, amongst other things, identification of the Mass Rapid Transit System routes, corridors, network and service levels;
- Develop appropriate and sustainable funding mechanisms in order to achieve the objectives of the Authority; and
- Perform the any other functions vested upon the Authority under the Nairobi Metropolitan Area Transport Authority Order.

Vision Statement of the Authority

A safe, reliable, affordable and seamless public transport system

Mission Statement of the Authority

To transform the quality of life through delivery of an integrated and sustainable public transport system within the Nairobi Metropolitan Area

(c) Key Management

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

- Board of Directors;
- Director General
- Management

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

	Designation	Names
1.	Ag. Director General	Eng. Francis Gitau
2.	Ag. Director Projects and Planning	Eng. Michael Njunge
	Ag. Director Transport Planning	Planner James Maina
3.	Ag. Corporation Secretary	Ms. Connie Ngachu
4.	Senior Deputy Accountant General	CPA Joyce Mutugi
5.	Ag. Head of Finance	Mr. Daniel Odhiambo
6.	Ag. Head of Procurement	Mr. David I. Kinyae
7.	Ag. Director Corporate Support Services	Mr. John Muya

(e) Fiduciary Oversight Arrangements

The Board of directors have created board committee's for their fiduciary oversight:

Committee	Members	Function
HUMAN RESOURCE AND ADMINISTRATION COMMITTEE	1. Ms. Mary W. Chege 2. Hon. Mohammed Dagane 3. Mr. George Wanjau 4. Mr. James Maina 5. Mr. Francis Parsimei 6. Eng. Benjamin Njenga	Provide oversight on all Human Resource and Administration functions.
TECHNICAL AND STRATEGY COMMITTEE	1. Mr. Ronald Ndegwa 2. Mr. Mohammed Dagane 3. Mr. Francis Parsimei 4. Eng. Amos Njoroge 5. Mr. James Maina 6. Eng. Benjamin Njenga 7. Mr. James Maina	Provide oversight on all Technical & Strategy functions.
AUDIT, RISK, COMPLIANCE AND GOVERNANCE COMMITTEE	1. Ms. Mary Chege 2. Ms. Naomi Mutie 3. Mr. Ronald Ndegwa 4. Mr. Joseph Mwaura 5. Mr. Francis Parsimei	Provide oversight on all audit, risk and governance functions.
FINANCE AND GENERAL PURPOSE COMMITTEE	1. Eng. Zachariah Kareng'e 2. Mr. James Maina 3. Eng. Amos Njoroge 4. Mr. George Wanjau 5. Mr. Joseph Mwaura 6. Mr. James Maina	Provide oversight on all finance and general purpose functions.

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

Cianda House
Koinange Street
P.O.Box 52692-00200
Nairobi, KENYA

(g) Entity Contacts

Telephone: +254-020-2729200

E-mail: info@namata.go.ke

Website: www.namata.go.ke

(h) Entity Bankers

1. Kenya Commercial Bank
Capital Hill Branch
Nairobi

(i) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(j) Principal Legal Adviser

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

2. THE BOARD OF DIRECTORS



Mr. Charles Hinga
 Principal Secretary responsible
 for Housing and Urban
 Development
 Alternate Member to PS,
 Housing – Eng. Benjamin Njenga

Charles Hinga is the Principal Secretary, State Department for Housing and Urban Development (SDHUD) under the Ministry of Transport, Infrastructure, Housing and Urban Development and Public Works in the Government of Kenya. In this role, Charles leads the SDHUD team in undertaking housing policy management, management of various housing schemes for civil servants and disciplined forces, development and management of government pool housing, public accommodation lease and management, maintenance of the inventory of government housing property as well as development and management of affordable housing.

The State Department is also charged with shelter and slum upgrading, urban planning and development, as well as the establishment of an integrated, efficient, and sustainable urban public transport within the Nairobi Metropolitan Area. More specifically, the State Department is spearheading the implementation of the New Urban Agenda and efforts to achieve SDG 11 which focus on creating sustainable cities and human settlements, disaster risk reduction, adequacy of services, and inclusivity within communities. SDHUD is also championing the delivery of 500,000 affordable homes by 2022 as articulated under the current administration's Big Four Agenda.

Prior to joining public service, Charles was a successful entrepreneur, establishing and running a group of companies with interests in Investment Banking, Project Finance, and township-based broadband telecommunications. Through this experience, Charles has nurtured skills skilled in project design, structuring, and capital raising, financial analysis, negotiations and business case development for public-private partnerships.

In 2016, he was the recipient of the South Africa Professionals Services Awards as the Consulting Professional of the year. The judges noted that he won this award for the well-articulated desire to make a difference working through an offshoot of the consulting business that provides internet connectivity to the previously disadvantaged.

Charles is a Chartered Accountant (CA) and holds a Bachelor of Commerce (Accounting) degree from Kenyatta University as well as a Bachelor of Accounting Science (Honours) degree from the University of South Africa.

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021



Dr. Julius Muia
Principal Secretary responsible
for Finance
Alternate Member to PS, Finance
– Mr. Joseph Mwaura

Dr. Julius Muia is the Principal Secretary at The National Treasury. Prior to this, he was the Principal Secretary at the State Department for Planning – The National Treasury and Planning. Before his appointment as PS Planning, he was the Director General, Vision 2030 Delivery Secretariat which operated under the Office of the President, Republic of Kenya to facilitate the implementation of Vision 2030. This is Kenya's long-term policy framework that is premised on making Kenya a globally competitive, rapidly industrializing and upper middle income economy by 2030.

Between April 2008 and October 2016, Dr. Muia served as the Secretary, National Economic and Social Council, Office of the President. This is a top advisory government think tank whose flagship project was formulating Vision 2030.

An alumnus of the University of Nairobi's School of Business, Dr. Julius Muia graduated with a First Class Honours Degree in Accounting; Master's Degree and PhD in Finance from the same university. His professional qualifications include: Certified Public Accountant (CPA-K); Certified Public Secretary (CPS-K), Associate Kenya Institute of Bankers; Associate Chartered Institute of Arbitrators; and Certified Coach.



Hon. Mohammed Dagane
County Executive Committee
Member in Charge of Transport,
Nairobi County

Hon. Dagane has been a Director and a member of the Human Resources & Administration and the Technical and Strategy committee for NaMATA since March 2018. Hon. Mohamed Dagane is the County Executive Committee Member (CECM) for Roads, Transport and Public Works for Nairobi City County Government.

He has also served as the CEC for health in the County Government of Nairobi. Dagane is results focused governance, ethics and communication specialists with a wide range of experience in governance and leadership in both public and private sectors. His inputs and outputs have spurred and supported governance and policy development and planning, human resources management organizations.

Hon. Dagane has worked for several private and public sector organizations in different capacities including: Nairobi City County (County Executive various positions, 2017- present); RACIDA (Regional Programme Coordinator for Kenya, Ethiopia and Somalia, Helpage International (UK), Save the Children and COCOP (Kenya.)

A change driver and visionary leader accustomed to overcoming numerous and seemingly-impossible challenges to deliver improvements in health, roads and public transport performance while positively impacting community members and service

	recipients. An expert negotiator by leveraging a calm and composed demeanour; lead teams in complex dealings, salvage broken-down discussions, and mend adversarial relationships.
 Ms. Naomi Mutie County Executive Committee Member in Charge of Transport, Machakos County	Ms. Naomi is currently the CEC In Charge of Transport in Machakos County. Naomi Mutie is a seasoned public health specialist, who has risen through the rank working at grassroots level, raising upto the policy level. Has an extensive understanding of health systems strengthening. Has an experience of teaching, and mentoring & training of both pre service and in service trainees at satellite MTC of ISO certified premier health training college (KMTC) for 8 years majoring on public health and environmental health & disaster management. Her role was equipping students with requisite evidence based learning and teaching, geared towards solving the new and re-emerging public health challenges. Has had an opportunity to work as District health manager supervising delivery of public health and sanitation services in Makindu and Athi River District (2011-2013) Has served in county government of Machakos as County Executive Committee (CEC) Member for Health & Emergency Services, Water and Environment, Transport Roads and infrastructure for the last 8 years. Main roles in devolved government includes policy formulation, coordination and monitoring implementation of both National and County policies in Health, Water and infrastructure for improved service delivery (2013-2020) Has international exposure of Israel health systems and experiential leadership coaching (LEHHO) from Strathmore business school. She is a trained executive coach for managers program by Strathmore business school/esTalent. Has a rich background in public health, environment, water, strategic management, policy formulation and sector co-ordination. Served in public service for more than 28 years. A known diligent hardworking result oriented with challenge-based leadership model. Known inspirational leader, team player, with supportive challenging management style that motivates and challenges individuals to exceed call of duty. A team player who is result oriented and has project management style which adheres to strict timelines and achievable tangible results, challenging team members to go beyond call of duty to demonstrate results.

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

 Eng. Amos Njoroge County Executive Committee Member in Charge of Transport, Muranga County	Eng. Amos Njoroge holds a Bachelor's Degree in Civil Engineering from the University of Nairobi. He is a registered Engineer with Engineers Board of Kenya (EBK). Some of the notable achievements of Eng. Amos Njoroge include Conducting Hydrological evaluation analysis of the performance of drainage system in the Central Business District (CBD) Nairobi. He was also Involved in design implementation, design modification to suit site conditions, quality control and assurance, coordination of junior staff and supervision and supervision of Tswapong Access roads which involved construction of 78km road network. Eng. Amos Njoroge has been involved in labour-based projects in Kenya, community based projects especially Ragia water community project and the upgrading to Bitumen Standards of Kaptama - Kapsokwony - Sirisia Road.
 Mr. Francis Parsimei County Executive Committee Member in Charge of Transport, Kajiado County	Mr. Francis Parsimei holds a Master's Degree in Urban Development from the University of Nairobi. He has worked intensively in the Urban Planning, Development and Management in the Infrastructure, Environment, Water, Real Estate and Retail sectors. Mr. Parsimei has been the Chairperson, Association of Urban & County Managers of Kenya, National Secretary of the Municipal Managers' Caucus in Kenya, Member of the British Council of shopping centers management – UK. He is also a Registered environmental auditor & EIA expert (MN, 1737) and a member of the Institute of Governance of Kenya. His key leadership roles include being the Manager, the Municipality of Kajiado – Kajiado County, Secretary General, the National Caucus of Municipal Managers of Kenya, Kajiado County Representative in the task force tasked with the formation of the Nairobi Metropolitan Transport Authority (NaMATA), Board member, Kentrade. He Participated in the formulation of the Nairobi Metro Strategy of 2009/10 and was a Parliamentary Aspirant, Kajiado North Constituency.



Eng. Samuel Mugo
 County Executive Committee
 Member in Charge of Transport,
 Kiambu County

Eng. Samuel Mugo is currently the CECM – Lands, Housing, Physical Planning & Urban Development, and Acting CECM Roads, Transport & Public Works, Kiambu County. He has worked as a Technical Assistant – Nairobi Metropolitan Development – Individual Consultant for the Implementation of World Bank Financed projects in Kiambu County and a Director, Design & Special Projects – Apec Consortium Ltd.

He was the Head of Regional Network department–Eastern, Coast and Nairobi Regions. Responsible for network planning, rollout, optimization and maintenance; reporting to the Chief Technical Officer and also a senior manager responsible for Cost and Procurement Controls in the Network Implementation department. Responsible for cost/budget controls and equipment procurement for rollout and optimization projects. Reporting to the Head of Department.

Eng. Samuel Mugo has for Mugoya Construction and Engineering Ltd as Senior Manager, Senior Estimator in the Commercial and Tendering Department. In charge of preparation of Tenders for the company and reporting to the General Manager. The work consisted of preparation of competitive professional tenders for various Civil, Electrical and Mechanical projects. Involved in tender qualification documents, pricing, discussions with sub-contractors, tender finalization with company management and project hand over to operations department and assist site teams meet set cost and time targets.

He has also worked for Mumias Sugar Factory Ltd as Senior Manager responsible for Project Implementation Description: Project Quantity Surveyor in the Mumias Sugar Factory rationalization project, seconded to Booker Tate Ltd (UK) Engineer. Reporting to the Project site Manager. Engaged in Civil, Mechanical and Electrical works quantities and cost controls.

Eng. Mugo has worked for Sogea International Company as Quantity Surveyor responsible for site measurements and payment certificates and Zakhem International as Site Engineer responsible for works and quality assurance in the construction of cross-country oil pipeline and storage tanks. Responsible for the day-to-day phasing of finishing works including tank painting, water and air testing of tanks welding and fitting works.

He has undertaken vocational experience with: H.P. Gauff and Gibb Consulting Engineers on the Supervision of 78km Gravel Garsen-Lamu road Project Engaged with field and laboratory testing of soils and concrete, site surveys and subsequent office calculations and drawings and in the site measurements.⁷

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

 Ms. Mary Chege Independent Member	Mary Chege is an Advocate of the High Court of Kenya with over eighteen years' experience in advising on a broad range of transactions across Sub-Saharan Africa in the energy, infrastructure, real estate and natural resources sectors. She is a Certified PPP Practitioner – CP³P® and is an accredited CP³P trainer. Passionate about the African continent, Ms. Chege is a founding member of the African Network for Women in Infrastructure (ANWIn) of the African Union Commission. Ms. Chege holds a Bachelor of Laws from University of Nairobi, Kenya and a Master of Laws from University of the Witwatersrand, South Africa. She serves in the Authority as an Independent Board Member and chairs the Audit, Governance, Risk and Compliance Committee.
 Mr. Ronald Ndegwa Independent Member	Mr. Ronald Ndegwa holds a Bachelor of Science in Civil Engineering (Upper Second Class Honours) from the University of Nairobi, a Diploma in Human Resources Management (First Class Honours) from Damelin Management School, Port Elizabeth, South Africa and a Certificate in Logistics (Supply Chain) Management Programme from Cranfield University School of Management, UK. He is a Member of the Institute of Engineers Board of Kenya (EBK) and a Member of the Kenya Institute of Supplies Management (KISM). He was the Group Head of Supply Chain & Logistics supporting Kenya Breweries Ltd, Uganda Breweries Ltd, United Distillers & Vinters, Central Glass Industries, East African Maltings Ltd & International Distillers- Uganda Ltd from September 2005 to November 2008. He was also the Supply Chain Director responsible for Magadi Rail Operations, Roads & Rail Maintenance, Procurement, Warehousing & Distribution, Mombasa Export Terminal, Shipping Operations and Kajado Locomotive Maintenance & Product Trans-shipment facility and Community support programs (passenger transport via rail, water supply etc.) at Magadi Soda Company Ltd (Tata Chemicals Magadi Ltd). He also served as Chairman - Magadi Soda Provident Fund Board of Trustees. Mr. Ndegwa also was the Managing Director of Savannah Cement Ltd from December 2013 to July 2020. He is currently serving as the Chairman of Mount Kenya Holiday Homes Ltd
	Zachariah Karengi Mungai is the General Manager of Field Engineering, Leasing Operations & Fleets Management for Isuzu East Africa Ltd (formerly General Motors East Africa), the largest motor vehicle assembler in the region selling a wide range of Isuzu vehicles. His career in GM began in 2005 in its East African operations where he has worked for the last 16 years. Prior to his

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

 Mr. Zachariah Karege Independent Member	current position, Karege held several key roles in Product Planning & Engineering and Export Operations organizations both in East Africa and GM Sub-Sahara Africa Operations. Karege holds a Bachelor's Degree in Engineering (1st Class Hons) received from Moi University, and an Executive Master's Degree in Business Administration (MBA) from the JKUAT University. Karege is currently a board member for the Nairobi Metropolitan Area Transport Authority. He previously served in several technical committees of Kenya Bureau of Standards and was instrumental in the development of the current Fuel and Motor Vehicle Inspection standards that are transitioning Kenya to cleaner Euro 4 Emission Levels. He also served in the various United Nations Environmental Programme committees that steered the cleaner emission standards journey for the country and the National Transport & Safety Authority. Throughout his career, Karege has had extensive international training and exposure assignments in various countries including UK, Japan, Thailand, Dubai, South Africa, Egypt, and Sub-Sahara Africa Countries. Karege is a member of various professional organizations including the Institute of Directors of Kenya, Engineers Registration Board, the Institution of Engineers of Kenya and the Institution of Construction Project Managers of Kenya.
 Eng. Francis Gitau Ag. Director General	Eng. Francis Gitau is a consulting engineer with the Board and a Corporate member of the Institution of Engineers of Kenya. He holds Bachelor's degree (Civil Engineering) from the University of Nairobi, an Executive Master degree in Business Administration from the Jomo Kenyatta University of Agriculture and Technology, Post Graduate Professional Qualification in Road Maintenance, Trained in Change Leadership and Advanced Project Preparation Eng. Gitau has over 30 years in engineering management and is currently the Infrastructure Secretary at the State Department of Infrastructure
	Ms. Connie Ngachu is an Advocate of the High Court of Kenya. She holds a Bachelors of Law Degree (Second Class Honours) from Catholic University of Eastern Africa, Post Graduate Diploma in Law from Kenya School of law and pursued a Masters in Oil and Gas Law at Strathmore University. She is also a member of the Law Society of Kenya, East Africa Law Society and an Associate Member of the Chartered Institute of Arbitrators. She is a Commissioner of Oaths, Notary Public, ISO Auditor and has over 12 years work experience.

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

Ms. Connie Ngachu Ag. Corporation Secretary	
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3. MANAGEMENT TEAM

Names	Title designation	Key qualification
Eng. Francis Gitau	Ag. Director General	Eng. Francis Gitau is a consulting engineer with the Board and a Corporate member of the Institution of Engineers of Kenya. He holds Bachelor's degree (Civil Engineering) from the University of Nairobi, an Executive Master degree in Business Administration from the Jomo Kenyatta University of Agriculture and Technology, Post Graduate Professional Qualification in Road Maintenance, Executive Masters in Business Administration, Trained in Change Leadership and Advanced Project Preparation Eng. Gitau has over 30 years in engineering management and is currently the Infrastructure Secretary at the State Department of Infrastructure
Eng. Michael Njunge	Ag. Director Projects and Planning	Eng. Michael Njunge is a Registered Engineer of EBK and IEK. He holds a BSC Civil Engineering from University of Nairobi and pursued a MSC Transportation Engineering at University of Nairobi. He has undertaken courses on Intelligent Transportation Systems and Labour Based Road Construction and Maintenance. He has 31 years work experience as an Engineer
Connie Ngachu	Ag. Corporation Secretary/Head of Legal Affairs	Ms. Connie Ngachu is an Advocate of the High Court of Kenya. She holds a Bachelors of Law Degree (Second Class Honours) from Catholic University of Eastern Africa, Post Graduate Diploma in Law from Kenya School of law and pursued a Masters in Law Degree in Oil at Strathmore University. She is also a member of the Law Society of Kenya, East Africa Law Society and an Associate Member of the Chartered Institute of Arbitrators. She is a Commissioner of Oaths, Notary Public, ISO Auditor and has over 12 years work experience.
CPA Joyce Mutugi	Senior Deputy Accountant General	CPA(K), MBA
Daniel Odhiambo	Ag. Head of Finance	Mr. Daniel Odhiambo holds M.A. (Economics), PGD Development Studies with 12 years working experience.
David I. Kinyae	Ag. Head of Procurement	Mr. David Kinyae holds a MSC in Procurement, Logistics and Supply Chain Management, Professional Diploma CIPS (UK) Procurement Logistics and Supply Chain

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

		Management, Final Diploma in Supply Chain Management, Diploma I&II in Supply Chain Management. He has over 32 Years of work experience
John Muya	Ag. Director Corporate Support Services	Mr. John Muya holds MA Public Administration, Bachelor Degree in Public Health and has over 20 years work experience in Public Administration.

4. CHAIRPERSON'S STATEMENT

In recent years, Kenya has experienced a steady economic growth fuelled partly by massive investment in the Transport Sector. Nairobi is the main economic centre in the country contributing to over 40% of the country's GDP. A key challenge for Nairobi Metropolitan Area (NMA) is the rapid population growth, taking place within the context of a deteriorating and costly transport system.

Various studies indicate that Nairobi City County has a daily sleeping population of 4.2 Million. This population increases to above 7 million day population (an increase of 70%) most of whom reside in the surrounding counties of Kiambu, Murang'a, Machakos and Kajiado. This is projected to reach 15.1 Million in year 2030.

It is estimated that the value of time lost to travel in Nairobi is between US\$ 0.8 million and US\$ 4 million per month, with congestion costing about US\$ 500,000 daily. This has a huge negative effect on productivity. It is also harming Nairobi as a business destination, along with other cities in Kenya, including Mombasa. It is also estimated that Kenya's annual cost of road traffic accidents, in which most victims are pedestrians in urban areas, is equivalent to about KES 300 billion.

As per the Constitution of Kenya 2010, transport is a devolved and shared function between the two levels of government. The Constitution under Article 189, (2) allows for the two levels of government to enter into an agreement regarding the performance of functions that cut across by setting up joint committees and joint authorities.

It is on this basis that in October 2014, the Ministry of Transport, Infrastructure, Housing and Urban Development and the County Governments of Nairobi City, Kiambu, Murang'a, Machakos and Kajiado (Nairobi Metropolitan Area) signed a Memorandum of Understanding for the development of an integrated transport system within NMA.

To actualize this, the Ministry through the Gazette Notice No. 1093 of 20th February 2015, appointed a Steering Committee for a period of one year comprising of members from the National Government and from the five (5) NMA Counties.

The main mandate of the Committee was to oversee the establishment of an integrated, efficient, safe, reliable and sustainable transport system within the NMA and establishment of Nairobi Metropolitan Area Transport Authority (NaMATA). The Gazette Notice was extended for another one year with effect from 1st March 2016 vide Kenya Gazette Notice No.1743.

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

In February 2017, NaMATA was established by an Executive Order by His Excellency the President through Legal Notice No. 18 of 17th February 2017 with the responsibility of developing and implementing a comprehensive urban transport policy, including a MRTS network development and definition of overall operational regulation of urban commuter services.

NaMATA's principal objective is to oversee the establishment of a safe, integrated, efficient, effective, and sustainable public transport system within the Nairobi Metropolitan Area. To achieve it, the Authority shall plan, develop, maintain, and operate an integrated and sustainable public transport network that includes infrastructure and services that affect delivery of the Authority's mandate within the Nairobi Metropolitan Area (NMA).

The policy and strategic leadership of NaMATA is vested in a Council comprising of:

- i. The Cabinet Secretary responsible for Transport (Chairman)
- ii. The Cabinet Secretary responsible for Finance
- iii. The Governor of Nairobi City County (Deputy Chairperson)
- iv. The Governor of Kiambu County;
- v. The Governor of Machakos County
- vi. The Governor of Kajiado County
- vii. The Governor of Murang'a County

The task of delivering an efficient and affordable public transport system for NMA requires NaMATA to effectively mainstream and coordinate all implementation efforts and initiatives by different players in the transport sector for the region. This includes hosting frequent dialogues among key stakeholders and establishing coordination and implementation mechanisms.

In this regard, sustained capacity building for its staff will be essential to ensure that NaMATA is able to fulfil its role of coordinating and leading urban transport initiatives. Currently, the NaMATA has been relying on deployed staff. The staff have been deployed from the National and County Governments including the State Department of Transport, State Department of Housing and Urban Development, the Kenya Urban Road Authority, the State Department of Infrastructure, and from the five NMA County Governments. NaMATA has greatly benefited from the contribution made by the staff from the NMA Counties in its operations.

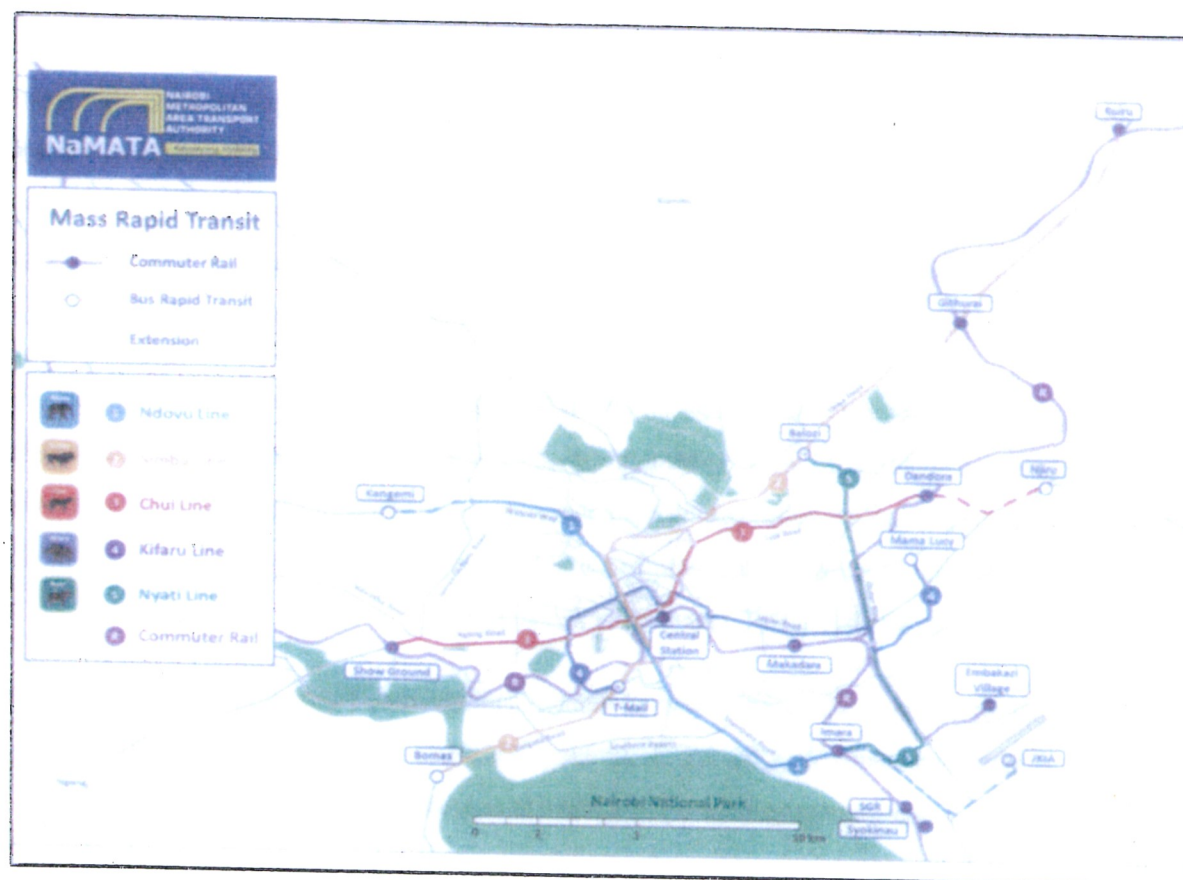
Chairperson, Nairobi Metropolitan Area Transport Authority.

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

The Integrated National Transport Policy (INTP) was adopted by Cabinet in 2009 with a Sessional Paper passed by Parliament on 14th August 2012 to operationalize the policy. The INTP mission is to develop, operate and maintain an efficient, cost effective, safe, secure and integrated transport system that links the transport policy with other sectoral policies, in order to achieve national and international development objectives in a socially, economically and environmentally sustainable manner. The policy proposes measures aimed at “Consolidation of Urban Public Transport”, through encouraging a shift to high occupancy vehicles amongst other measures.

The Integrated National Transport Policy identifies coordination gaps and recommends establishment of a Metropolitan Transport Authority (MTA) to address these gaps. This therefore, requires that an integrated passenger transport network is considered essential and that a mass rapid transport system is to be constructed in Nairobi and its environs. It is under this backdrop that a Mass Rapid Transit System (MRTS) is envisaged for Nairobi with Bus Rapid Transit (BRT) and Commuter Rail at the core.

It is against this backdrop that in 2014, the Ministry of transport infrastructure housing and urban development commissioned a study that harmonized the MRTS corridors and came up with five BRT corridors and four commuter rail corridors. These are represented in the schematic diagram below:



In 2019, the Nairobi Metropolitan Area (NMA) Council gazetted the following BRT corridors:

1. **LINE 1: NDOVU:** - Limuru - Kangemi - CBD - Imara Daima - Athi River – Kitengela
2. **LINE 2: SIMBA:** - Rongai - Bomas (Langata Rd) - CBD - Ruiru - Thika – Kenol
3. **LINE 3: CHUI:** - Tala - Njiru – Dandora (Juja Rd) - CBD –Showground (Ngong Rd) – Ngong
4. **LINE 4: KIFARU:** - Mama Lucy Hospital - Donholm (Jogoo Rd) - CBD - T Mall - Bomas - Karen – Kikuyu
5. **LINE 5: NYATI:** - Ridgeways (Kiambu Rd) - Balozi (Allsops) - Imara Daima
- 6.

I. CURRENT STATUS

BRT LINE 1

The project is located on sections of A8 from Kabete Police Station as the origin of the line through Nairobi Central Business District to Nairobi Standard Gauge Railway Terminus. The feasibility study has already been completed, meeting with various stakeholders undertaken and proposed changes on the report are to be made by the contractor.

To integrate with the airport a branch line is proposed from the Nairobi SGR Terminus to Jomo Kenyatta International Airport. The operations of the line are categorized into main line from Kabete Police Station to Nairobi SGR terminus totaling to 30 kilometers. The main line will have 24 stations with 32 BRT intermediate platforms. The branch line connecting with the airport will be 6 kilometers in length with 4 intermediate BRT platforms in 3 stations. Additional extensions proposed for BRT line 1 are Kikuyu, Industrial Area, Embakasi Village and Kitengela branch lines.

PILOT BRT LINE 2

3.2.1 Introduction

The BRT Line 2 Pilot project is divided into two phases: -

Phase I: – 20 kilometers in length originating at Ruiru and terminating in Nairobi CBD Section

Phase II: - Extensions of Phase I from Clayworks to Ruiru a length of 3 kilometers and from Nairobi CBD to Kenyatta National Hospital a length of 4 kilometers.

The NaMATA engaged STECOL Corporation in joint venture with SMEDI through a turnkey contract for the Design and Build of Pilot BRT facilities on Line 2 for a contract sum of **KES. 5,575,071,798.84**. The project involves the following: -

- Modification of 10 existing footbridges
- Construction of median BRT stations
- Non-motorised transport infrastructure
- Ramp bridge at Ruiru
- Isolation of BRT lane from general traffic lane
- Kenyatta National Hospital Terminal station, Kasarani and Ruiru Depot.
- Automated BRT priority traffic signals for Pangani Underpass
- Management and smooth flow of traffic.
- BRT pavement
- Traffic control during construction
- Road marking, road signs and other ancillary facilities

Total works are at 50% completion.

3.2.2 Progress

3.2.2.1 Kasarani Depot

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

The works comprise a Management and Maintenance buildings, dispatch office, laboratory, pavements and services including sewerage, water reticulation, electrical conduits and a perimeter wall. The works at the Depot are at 80% completion.

3.2.2.2 Ruiru depot

After a site visit involving NaMATA and Kenya Railways teams, it was observed that the design earlier would affect some buildings within the compound whose owners have long-term leases with Kenya railways. A revised design was submitted to Kenya Railways in July this year. There has been no response. The Contractor has written giving notice of intention to claim for delayed access to site. NaMATA is following up with Kenya Railways.

3.2.2.3 Median Stations

The steel structures for the stations are complete at Kenyatta University, Kahawa Barracks and Safari Park. The Contractor has applied for electricity connection at Safari Park. This will enable installation and testing of the station equipment prior to the roll out of the other stations.

3.2.2.4 Khoja BRT station

The site for the Khoja BRT station is currently used as a matatu terminus. NaMATA is working with Nairobi Metropolitan Services (NMS) on relocation of the matatus to enable the Contractor to commence with the works there.

3.2.2.5 Central Railway Transfer Station

NaMATA working with NMS had started site clearing works for construction of the station before they were stopped by Kenya Railways. Discussions with Kenya Railways to resolve the issue have stalled.

3.2.3 Payments

The Authority has paid to the contractor, KES 157,507,179.88 being balance of Advance Payment, and KES 172,492,820.00 being part payment for IPC No. 2 (KES 656,052,148.99) and is in touch with the National Treasury on clearing of the balance.

3.2.4 Programme of Works

The Contractor has submitted a Revised Programme and has requested extension of the date of completion to December 22nd 2022. the application is under review.

BRT CORE LINE 3

The line originates from Dandora Railway Station on Komarock Road through CBD to Hospitals on Ngong Road. The Development Partners have opted for a Design and Build Procurement for the project and have started the procurement process for a supervision consultant for Line 3. The Consultant will assist NaMATA with the procurement of a Design and Build contractor and supervision of the works.

STAKEHOLDER ENGAGEMENTS

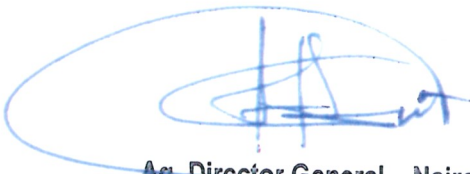
Site visits

- The Authority has organized a series of stakeholder site visits to the Thika Road Pilot BRT Project beginning in January 2021 to March 2021.
- These take place every Friday commencing at Cianda House and covering the entire route of the BRT with stops for viewing and discussions.
- Four site visits have already been undertaken with more in the pipeline. The following stakeholder institutions have already visited the project:
 - Kenyatta National Hospital
 - Sports Kenya
 - Kenya Urban Roads Authority
 - Kenya Rural Roads Authority
 - ITDP
 - Kenya Railways Corporation
 - Federation of Public Transport Sector (FPTS)
 - NTSA
 - Kenya Power
 - National Construction Authority
 - Architectural Association of Kenya
 - NTU
 - State Department of Infrastructure
 - Kenya Police
 - University of Nairobi
 - State Department of Housing and Urban Development
 - State Department of Public Works
 - Kenyatta University
 - Technical University of Kenya
 - NMS
 - Materials Testing and Research Division (MRTD)

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

Stakeholder workshops

- The first stakeholder workshop was for the NMA County Transport Committees and it was scheduled for 3rd March 2021.
- The Federation of Public Transport Sector (FPTS) has held a series of meetings together with the technical advisors to prepare the Transport Service Contract (TSC) and finalise the structure of the Bus Operating Company (BOC) in preparation for the stakeholder workshops.



Ag. Director General – Nairobi Metropolitan Area Transport Authority

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

6. REVIEW OF NAMATA'S REGULATORY & NON – COMMERCIAL ENTERPRISE 'S PERFORMANCE FOR FY 2019/2020

The Key Result Areas/Strategic Focus Areas and corresponding strategic objectives and strategies are summarized in the table 3.2 and they are all on going.

Table 3. 1: Strategy Matrix

Key Result Areas	Strategic objectives	Activities
1. Transform ation of Public Transport	1.1. To enhance mobility of people	1.1.1 Decongestion of NMA
		1.1.2 Improve Traffic management
		1.1.3 Integration of Public Transport and Land use planning
	1.2 Improve Safety and security of public transport	1.2.1 Improve public transport modes
		1.2.2 Enhance security of public transport
2 Environm ental sustaina bility	2.1 To improve quality of life	2.1.1 Enhance traffic management
		2.1.2 Modal Substitution
		2.1.3 Fare Controls
	2.2 To protect the environment	2.2.1 Reduce Greenhouse Gas Emissions and air pollution
		2.2.2 Increasing green corridors
		2.2.3 Develop climate proof infrastructure
3 Financial Stewards hip	3.1 To secure financial sustainability	3.1.1 Enhance mobilization of financial resources
	3.2 To ensure prudent and optimal utilization of resources	3.2.1 Strengthen internal control systems and procedures
4 Institutio nal Capacity	4.1 To attract and retain competent human capital	4.1.1 Establish an optimal staffing level
		4.1.2 Talent Acquisition
		4.1.3 Human Resource Development
		4.1.4 Performance Management
		4.1.5 Establish staff benefits and welfare programs
		4.1.6 Establish Conducive work environment
	4.2 To improve ICT service delivery.	4.2.1 Enhance Utilization of ICT
		4.2.2 Increase level of access to information
		4.2.3 Enhance cyber security
	4.3 Entrench Corporate Governance	4.3.1 Promote good Governance
		4.3.2 Compliance with legal and regulatory framework
		4.3.3 Enhancing NaMATA corporate image and visibility

7. CORPORATE GOVERNANCE STATEMENT

STATEMENT ON GOOD GOVERNANCE

The organization has adopted high standards and applies strict rules of conduct, based on the best corporate practices. As part of this commitment, the Board adheres to good corporate governance by embracing the following principles: -

1. To observe high standards of ethical and moral behaviour;
2. To act in the best interests of the organization,
3. To remunerate and promote fairly and responsibly.
4. To recognize the legitimate interests of all stakeholders; and
5. To ensure that the organization acts as good corporate citizen.

In general, Board members shall act in the best interest of the organization and uphold their fiduciary responsibilities and duty of care. This involves not disclosing confidential information, avoiding real and perceived conflicts of interest, and favouring the interests of the organization over other interests. They will act honestly and in good faith so as to create a culture built on principles of integrity, accountability and transparency.

BOARD MEETINGS HELD AND ATTENDANCE LIST

The Authority's board has held four board meetings within the FY 2020/2021 as per the guidelines of the Mwongozo Code of Governance for State Corporations.

BOARD MEETING	ATTENDANCE
7 th August 2020	1. Ms. Mary W. Chege 2. Eng. Ronald Ndegwa 3. Mr. Zachariah M. Karenga 4. Mr. Mohammed Dagane 5. Mr. James Maina 6. Mr. Francis Parsimei 7. Eng. Morris Aluanga 8. Eng. B.K. Njenga 9. Mr. James Mwaura

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

14 th December 2021	1. Eng. Peter Mositet 2. Ms. Mary W. Chege 3. Mr. Ronald Ndegwa 4. Mr. Zachariah M. Kareng 5. Mr. Mohammed Dagane 6. Mr. Francis Parsimei 7. Ms. Naomi Mutie 8. Mr. Joseph Mwaura 9. Eng. B.K. Njenga
5 th March 2021	1. Eng. Peter Mositet 2. Ms. Mary W. Chege 3. Mr. Ronald Ndegwa 4. Mr. Zachariah M. Kareng 5. Mr. Mohammed Dagane 6. Mr. Francis Parsimei 7. Ms. Naomi Mutie 8. Mr. Joseph Mwaura 9. Eng. B.K. Njenga
18 th June 2021	1. Eng. Peter Mositet 2. Ms. Mary W. Chege 3. Mr. Ronald Ndegwa 4. Mr. Zachariah M. Kareng 5. Mr. Mohammed Dagane 6. Mr. Francis Parsimei 7. Ms. Naomi Mutie 8. Mr. Joseph Mwaura 9. Eng. B.K. Njenga

BOARD CHARTER

The Authority's Board of Directors Charter defends the Board's roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight function. It provides the Board members with an opportunity to think creatively and critically about how their strategic and operational plans align with the organization's strategic direction and expectations, with respect to governance.

The Charter helps the Board in directing the organization to maximize the long-term value of services provided for all stakeholders. It is therefore imperative for Board members to understand their individual and collective roles with the purpose of helping the organization fulfil its mandate.

The Charter has been adopted by the organization, acting in accordance with Mwongozo, Code of Governance for State Corporations, and is complementary to the requirements regarding the Board and Board members contained in applicable Kenyan laws and regulations. In particular, the principles and policies contained in the charter are in addition to and are not intended to change or interpret any statute, law or regulation.

The Board of Directors will review the Charter at least annually and, if appropriate, revise this Charter from time to time.

The Authority has an approved board charter dated 28th April 2020.

BOARD APPOINTMENTS & REMOVAL

A. Appointment of Board members

- i. The relevant appointing authority shall select and appoint Board members. Every appointment shall be by name and by notice in the Kenya Gazette but shall cease if the Board member:
 - (a) Serves the appointing authority with a written notice of resignation; or
 - (b) Is absent, without the permission of the Chairperson, from three consecutive meetings; or
 - (c) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings; or
 - (d) Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Board; or
 - (e) Conducts himself in a manner deemed by the appointing authority to be inconsistent with membership of the Board.
- ii. Any removal of a Board member under (i) above, shall be through formal revocation.
- iii. The Corporation Secretary will ensure that a record of the appointment letter, gazette notice and written acceptance by the Board member are kept in the personal file of the Board member.

B. Term Limits

Board members shall hold office for a period not exceeding three (3) years and are eligible for reappointment for one more term not exceeding three (3) years. A Board member may be appointed for a cumulative term not exceeding six (6) years. The renewal of a Board Member's tenure for a second term should be subject to an acceptable evaluation as determined during Board evaluation.

The appointing authority shall ensure staggering of Board appointments so that the respective expiry dates of the members terms fall at different time to ensure continuity.

C. Resignation from the Board

A Board member may resign at any time by giving notice, in writing, to the appointing authority, copies to the Chairperson of the Board and the Director General of the Authority. The resignation shall take effect upon receipt of notice by the appointing authority or at any later time specified therein; and unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective

INDUCTION AND TRAINING

The Authority provides new Board members with an effective induction programme in order to familiarize them with their responsibilities as directors, general principles of corporate governance and Board practices. The induction programme also provides the Board member with an orientation of the organization, strategic plans, financial status and policies, risk management, compliance programmes and the Code of Conduct and Ethics.

The Board ensures that a competence needs assessment is carried out periodically and an annual development plan is prepared to address identified gaps. In this regard, Board members are provided with access to, or notice of, continuing development programs that are designed to keep members abreast of the latest developments in sector best practice, corporate governance and critical issues relating to the operation of public sector boards.

A Board training plan for FY 2020/2021 was prepared however it was not effected due to lack of funds as a result of austerity measures undertaken by the National Treasury.

BOARD AND MEMBER PERFORMANCE

The Board conducts an annual evaluation to appraise its performance. This evaluation be carried out in accordance with the Board Evaluation Tool.

The Board evaluation provides an opportunity for Board members to identify strengths, collective skill gaps and individual areas of improvement. The Board will also review the performance of each committee against the agreed Terms of Reference.

The Board also evaluates the performance of the CEO and Corporation Secretary. The Board undertook a Board Self Evaluation Exercise for the FY 2020/2021 with the support of the State Corporations Advisory Committee and in accordance with the Head of Public Service Circular No. OP/CAB.9/1A dated 11th March 2020.

CONFLICT OF INTEREST

Board members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the organization. However, a Board member who identified an area of conflict shall be required to disclose any actual or potential conflict of interest to the Board. In so reporting, the Board member is required to provide all relevant information, including information which relates to their immediate family members by blood or marriage which is related to the area of conflict. When declared, the Board member shall abstain from decisions where the conflict exists.

The Corporation Secretary records conflicts of interest declared, for accountability purposes, and as a rule of good practice on appointment and on regular intervals or at any time when circumstances change, all members shall in good faith disclose to the Board for recording, any other business or interest likely to create a potential conflict of interest.

BOARD REMUNERATION

Board members are remunerated for their services in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. In line with best practice, the remuneration should include base pay, attendance allowances and bonuses.

ETHICS & CONDUCT

In line with Section 3 of the Leadership and Integrity Act No. 19 of 2012 of the Laws of Kenya, the Board of Directors shall respect the values, principles and the requirements of the Constitution, including: -

1. The national values and principles provided for under Article 10 of the Constitution.
2. The rights and fundamental freedoms provided for under Chapter Four of the Constitution.

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

3. The responsibilities of leadership provided for under Article 73 of the Constitution.
4. The principles governing the conduct of State officers provided for under Article 99 (1) (b) and 193 (1) (b) of the Constitution.
5. The educational, ethical and moral requirements in accordance with Article 99 (1) (b) and 193 (1) (b) of the Constitution.
6. In the case of County Governments, the objectives of devolution provided for under Article 174 of the Constitution; and
7. The values and principles of Public Service as provided for under Article 232 of the Constitution.

GOVERNANCE AUDIT

The Board ensures that a governance audit of the organization is undertaken on an annual basis. The purpose of the governance audit is to ensure that the organization conforms to the highest standards of good governance.

The governance audit should cover the following parameters among others: -

- (a) Leadership and strategic management,
- (b) Transparency and disclosure.
- (c) Compliance with Laws and regulations.
- (d) Communication with stakeholders.
- (e) Board independence and governance.
- (f) Board systems and procedures.
- (g) Consistent shareholder and stakeholders' value enhancement; and
- (h) Corporate social responsibility and investment.

The Authority did not conduct a governance audit in the FY 2020/2021 because of lack of funds due to austerity measures undertaken by the National Treasury.

8. MANAGEMENT DISCUSSION AND ANALYSIS

Operational Performance of the Authority.

BRT LINE 2 PILOT PROJECT

1.1. Design Works

Several designs (Intermediate stations, Kasarani Depot, perimeter wall etc.) have been submitted by the contractor and approved

1.2. Kasarani Depot

The Kasarani Depot is integrated into the Kasarani Sports Stadium and it includes:

- Offices
- Park and Ride (P+R) facilities
- Transfer facilities where commuters can move from matatus to buses
- Bus maintenance facility

Construction at the Kasarani depot is progressing well with ongoing works at the maintenance block, the administration block, the BRT platform and public toilet, the Park & Ride area and the Engineers laboratory, concreting of the foundations and ground beams and drainage & sewer works.

1.3. Ruiru Depot

Discussions between NaMATA and KRC which will inform the way forward on the proposed layout designs are ongoing.

The Ruiru BRT depot as proposed has been integrated into the Ruiru Commuter Rail (CR) Station. The terminus will include:

- Park and Ride (P+R) facilities
- Bus boarding Platform
- Bus maintenance facility
- Common ticketing area for both the BRT and CR systems.

The BRT buses will access the terminus via a proposed ramp that raises the buses from the median of the Thika Superhighway, over the Highway traffic and delivers them into the Station.

1.4. Footbridge and BRT station works

1.4.1. Intermediate Stations

The Intermediate Stations are designed on alternate sides of the footbridge to improve on efficiency in passenger movements during peak hours. The two directions have independent ticketing facilities and boarding platforms. An aerial view of the intermediate station is shown as Annex 3.

- I. At **Safari Park Station** construction of the BRT platform is well advanced as this is the model station that will be used as a baseline in the construction of the other stations. The steel structures for the staircase have been installed the concreting of the stairs has been done, installation of the roofing and railings is ongoing. For the platforms the foundations and steel structures are completed.

- II. At **Githurai (Clay works) Footbridge**, the foundations and the staircase steel structures have been constructed.
- III. At **Kahawa Barracks Footbridge**, the foundations and the staircase steel structures have been constructed.
- IV. At **Kenyatta University Footbridge** the concrete foundation for staircases here has been completed.
- V. At **Kasarani Footbridge** the concrete foundation for staircases has been constructed.

1.5. CBD-KNH Section

The contractor has shared the proposed design from Globe area through CBD to KNH.

The Project Implementation Team is interrogating the designs in order to come up with a suitable solution.

As with the other terminals the KNH Terminus will include the following:

- Park and Ride (P+R) facilities
- Bus boarding Platform
- Bus maintenance facility

1.5.1 Bus Acquisition

NaMATA has held several meetings with the Public Private Partnership (PPP) Directorate at the National Treasury. This is after the decision was made to embrace Green Mobility and use electric buses.

The discussions revolved around bringing on board the private sector to supply the rolling stock and operations for the Pilot BRT Project.

A Technical Team has been formed comprising officers from NaMATA and PPP to prepare the proposal to be sent out next month to invite suppliers/ operators to supply and operate the buses. The target is to have operations on the first phase from Kasarani to Central Railways Stations (CRS) starting February 2022.

1.6. Stakeholder Engagements

1.6.1. Communication Strategy.

The Authority had rolled out a Communication Strategy that aimed at having a series of stakeholder engagements with the County Assemblies, the legislative assemblies, and other essential stakeholders.

Due to the lockdown that was occasioned by the Covid 19 pandemic the Authority is reviewing the communication plan before it resumes once again.

1.6.2. Stakeholder site visits

The Authority had begun a series of stakeholder site visits at the end of January with the intention of appraising the Stakeholders about the project.

The Authority managed to take to site approximately 80 people from various institutions such as; *Kenyatta National Hospital, Federation of Public Transport Sector, Architectural Association of Kenya, State Department of Infrastructure, Sports Kenya, NTSA, NTU, Kenya Police, Kenya Urban Roads Authority, Kenya Power, University of Nairobi, Kenya Rural Roads Authority, National Construction Authority, State Department of Housing and Urban Development, ITDP, State Department of Public Works, Kenya Railways Corporation, Kenyatta University, NMS, Technical University of Kenya and MTRD.*

This initiative has been well received.

1. AFD TECHNICAL ASSISTANCE TO KR AND NAMATA

- French Government has also approved a grant of Euro 1.5 Million through AFD to support Kenya Railways and NaMATA in implementation of the public transport in Nairobi and the commuter rail master plan. The three components of the grant are:
 - a) Component I – Euro 900,000 – KR: CR Master plan implementation
 - b) Component II – Euro 370,000 – NaMATA: Public Transport Implementation
 - c) Component III- Euro 230,000 – NaMATA – CODATU: Coordination & Capacity Building;
- October 2020: the Kenya government and the French government signed grant agreement from AFD;
- December 2020: Implementation Agreement to bring CODATU on board was signed;
- Jan 12, 2021: Kick off meeting: Public Transport Technical Assistance Project;

Terms of reference for Component 1

- Support the institutional reforms of the railway system;
- Support for the implementation of CRMP;
- Support for commuter rail operations;
- Support for funding and financing mechanisms;
- Support for the implementation of integrated public transport;
- KRC capacity building;
- February 2021: Transamo Procured as the TA for commuter Rail Masterplan Implementation;
- 11 April 2021: Kick-off meeting for component 1

1.2 THE IMMEDIATE ACTION PLAN

Key Outputs

- Improved MGR Rail Tracks on critical section of the following lines:
 - (a) Nairobi Central Station to Nairobi Terminus
 - (b) Nairobi Central Station to Kikuyu

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

- (c) Nairobi Central Station to Ruiru
- (d) Nairobi Central Station to Embakasi Village
- Refurbished Nairobi Central Station
- Acquisition of 11 DMUs
- New DMU Based Service in Nairobi Central Station - Nairobi Terminus line and Embakasi Village
- New DMU Based Service in Nairobi Central Station to Ruiru line

Financial Implications

Item	Description	Cost in Kenya Shillings
1	Procurement of DMUs and Spare Parts	1.5 Billion
2	Civil Works	4.0 Billion
	TOTAL	5.5 Billion

1.3 OPERATIONS STRATEGY AT QUICK-WIN STAGE

- The Quick-Win Stage is expected to dedicate 4 DMUs to each make 1 round trip per hour from CBD to JKIA. The total passengers ferried per hour per direction will be 1200

The committee was also informed that:

- KRC have been doing both safety and economic regulation in railway services which is not desirable in the industry.
- That the Railway Bill that will set out the relationship between NAMATA and KRC is being reviewed by the Attorney General;

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

1. Sustainability strategy and profile of the Authority -

	Sustainable Development Goals (SDG)	Role of NaMATA
1.	No Poverty	- Reduction of cost of transport - Increase of accessibility of resources and services
2.	Decent work and economic growth	- Increased productivity as a result of effective public transport system - Strategic location of NMA as regional business and transit hub

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

3.	Industry innovation and infrastructure	- Introduction of mass rapid transit, sustainable public transport and innovation
4.	Sustainable cities and communities	- Provision of effective, efficient and sustainable public transport to ever increasing urban population
5.	Climate Action	- By Provision of effective mass transportation leading to reduction of carbon emission - Usage of friendly fuel (euro 4) - Promotion of non-motorized transport

2. Environmental performance

The Following is the Authority's environmental sustainability policy:

1. Environmental sustainability	To improve quality of life	- Enhance traffic management
		- Modal Substitution
		- Fare Controls
	To protect the environment	- Reduce Greenhouse Gas Emissions and air pollution
		- Increasing green corridors

3. Employee welfare

The following is the Authority's hiring policy:

Institutional Capacity	To attract and retain competent human capital	- Establish an optimal staffing level
		- Talent Acquisition
		- Human Resource Development
		- Performance Management
		- Establish staff benefits and welfare programs
		- Establish Conducive work environment
	To improve ICT service delivery.	- Enhance Utilization of ICT
		- Increase level of access to information
		- Enhance cyber security
	Entrench Corporate Governance	- Promote good Governance
		- Compliance with legal and regulatory framework
		- Enhancing NaMATA corporate image and visibility

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

4. Market place practices-

The following are the Authority's guiding values in the market place:

Core Values	Description	Strategic Responses
1.0 Integrity	1.1 The Authority is committed to acting with honesty, fairness, accountability and transparency in all our operations	1.1.1 Sensitize staff on ethics and integrity issues 1.1.2 Implement public service integrity programs
2.0 Customer centric	2.1 The Authority is committed to meeting our stakeholder requirements to their satisfaction by ensuring effective and efficient use of resources. We shall also be committed to continual improvement of our products and processes.	2.1.1 Develop service charter 2.1.2 Establish customer care desks 2.1.3 Undertake customer satisfaction surveys and implement recommendations 2.1.4 Seek ISO certification
3.0 Innovative	3.1 The Authority endeavours to develop new products and services for our clients through continual learning and improvement	3.1.1 Benchmarking 3.1.2 Establish innovation hubs
4.0 Inclusivity	4.1 The Authority embraces diversity and promotes inclusiveness in the organization and does not discriminate on the basis of age, gender, race, religion, tribe or physical ability.	4.1.1 Become equal opportunity employer
5.0 Teamwork	5.1 The Authority promote s, respects unity of purpose among staff	5.1.1 Cultivate open communication 5.1.2 Clearly outline roles and responsibilities 5.1.3 Organize team processes 5.1.4 Allow team members to take part in decision-making 5.1.5 Mediate conflict quickly and efficiently 5.1.6 Recognize good work

5. Community Engagements-

The Authority procured 10 spray booths was signed on 13th July 2020. On 7th August, 2020, which were to be distributed to the Counties within Nairobi Metropolitan to combat Covid 19.

10. REPORT OF THE DIRECTORS

The Directors submit their report together with the financial statements for the year ended June 30, 2020 which show the state of the Authority's affairs.

Principal activities

The principal activities of the entity are and continue to be:

Develop a sustainable integrated public transport strategy for the Metropolitan Area;

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

- Develop a sustainable urban mobility plan for the Metropolitan Area derived from the strategy;
 - Formulate and oversee the development of a sustainable, evidentially based, Integrated Mass Rapid Transit System Strategy;
 - Plan, regulate and co-ordinate the supply of adequate and effective Mass Rapid Transit System;
 - Formulate and implement programmes and policies for the overall improvement of public transportation systems within the Metropolitan Area;
 - Provide an enabling environment for orderly and structured development of the mass transit system, including both bus rapid transit and commuter rail within the Metropolitan Area;
 - Coordinate with other government agencies and other parties for the development and operation of transport infrastructure, facilities and works necessary for the discharge of the functions of the Authority;
 - Develop an inventory and undertake continuous evaluation of the declared road network status within the Metropolitan Area;
 - Formulate strategies to ensure overall improvement in traffic flow, planned and programmed traffic engineering and traffic management works within the Metropolitan Area;
- Ensure optimal utilisation of intermodal means of transport including air, road, rail and non-motorised transport and any other modes targeting mass movement within the Metropolitan Area;
- Assist in poverty alleviation by increasing economic efficiency through lower transport costs and prices within the Metropolitan Area;
 - improve the environmental sustainability of the transport system in the Metropolitan Area; (m) facilitate the integration of transport and land use planning in the Metropolitan Area;
 - Make better use of existing road space for all modes and reduce the need for the construction new roads within the Metropolitan Area;
 - Regulate both on street and off-street parking on declared corridors and impose fees and penalties with respect thereto;
 - Conduct studies and research for, amongst other things, identification of the Mass Rapid Transit System routes, corridors, network and service levels;
 - Develop appropriate and sustainable funding mechanisms in order to achieve the objectives of the Authority; and
 - Perform the any other functions vested upon the Authority under the Nairobi Metropolitan Area Transport Authority Order.

Directors

The members of the Board of Directors who served during the year are shown on page vii.

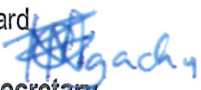
During the year Mr. James Maina (CEC in charge of Transport, Nairobi) was replaced by Eng. Samuel Mugo.

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The entity did not make any surplus during the year (FY 2020 Nil) and hence no remittance to the Consolidated Fund. [Entities to edit accordingly]

Auditors

The Auditor General is responsible for the statutory audit of the *Nairobi Metropolitan Area Transport Authority (NaMATA)* in accordance with Article 229 of the Constitution of Kenya.

By Order of the Board


Ag. Corporation Secretary

Date

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

11. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Order 18 of the Nairobi Metropolitan Area Transport Authority which require the Directors to prepare financial statements in respect of NAMATA, which give a true and fair view of the state of affairs of the Authority at the end of the financial year/period and the operating results of for FY 2020/2021. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

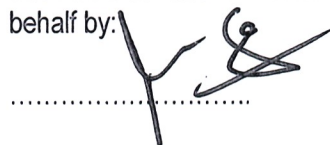
The Directors are responsible for the preparation and presentation of the NAMATA's financial statements, which give a true and fair view of the state of affairs of NAMATA for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of NAMATA; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for NAMATA's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 the Nairobi Metropolitan Area Transport Authority Order, 2017. The Directors are of the opinion that NAMATA's financial statements give a true and fair view of the state of the Authority's transactions during the financial year ended June 30, 2021, and of its financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for NAMATA, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

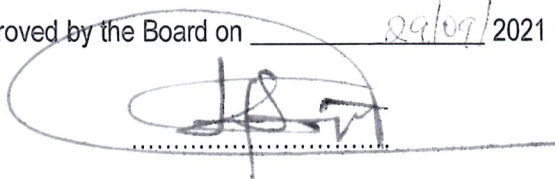
Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NAMATA financial statements were approved by the Board on 29/09/2021 and signed on its behalf by:



Chairperson of the Board



Ag. Director General

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2021

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 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 Metropolitan Area Transport Authority set out on pages 1 to 25, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Nairobi Metropolitan Area Transport Authority as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Nairobi Metropolitan Area Transport Authority Order, 2017.

Basis for Opinion

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

Key Audit Matters

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

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

Non-Compliance with Regulations on Imprest

The statement of financial position and as disclosed in Note 14 to the financial statements reflects receivables from non-exchange transactions balance of Kshs.490,200 relating to outstanding imprest due from one officer of the Authority. However, the imprest has been outstanding for over one-year. This is contrary to Regulation 93(5) of the Public Finance Management (National Government) Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within 7 working days after returning to duty station.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the Board of Directors

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

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

The Board of Directors is responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how the Management monitors compliance

with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 Authority's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide

a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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 Authority'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 Authority to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Authority to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 July, 2022

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For the year ended June 30, 2021

13. STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2021

Description	Notes	2020-2021	2018-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments—gifts and services-in-kind	6	42,000,000	602,186,901
Total revenue		42,000,000	602,186,901
Expenses			
Operating and Other Administrative Cost	7	67,768,428	112,614,889
Other General Expenses	8	26,866	4,424
Employee costs	9	6,358,448	18,696,330
Board Expenses	10	2,935,000	4,000,000
Depreciation and impairment	11	5,894,585	-
Total expenses		82,983,327	135,315,643
Other gains/(losses)			
Gain on foreign exchange transactions	12	-	88
Surplus/(deficit) for the year		(40,983,327)	466,871,346
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus/(deficit) attributable to owners of the controlling entity		(40,983,327)	466,871,346
		(40,983,327)	466,871,346

The notes set out on pages 6 to 25 form an integral part of these Financial Statements

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For the year ended June 30, 2021

14. STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

Description	Notes	2020-2021	2018-2020
		Kshs	Kshs
ASSETS			
Current assets			
Cash and cash equivalents	13	28,160	453,208,682
Receivables from non-exchange transactions	14	490,200	7,797,824
		518,360	461,006,506
Non-Current Assets			
Property, Plant and Equipment	16	417,683,755	5,864,840
Total assets		418,202,115	466,871,346
REPRESENTED BY			
Retained Earnings		418,202,115	466,871,346
Total net assets and liabilities		418,202,115	466,871,346

The Financial Statements set out on pages 1 to 28 were signed on behalf of the Board of Directors by:

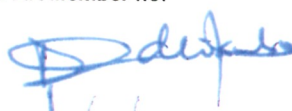
Ag. Director General
Name:



Date: 29/09/2021

Ag. Finance Manager

Name
ICPAK Member no.



Date: 29/09/2021

Chairperson of the Board
Name:



Date: 29/09/2021

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

15. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2021

Description	Retained earnings	Capital Reserves	Total
	Kshs	Kshs	Kshs
At Jan 1, 2018	-	-	-
Surplus/(Deficit) for the Period	466,871,346	-	466,871,346
At June 30, 2020	466,871,346	-	466,871,346
At July 1, 2020	466,871,346	-	466,871,346
Surplus/(Deficit) for the Year	(40,983,327)	-	(40,983,327)
Prior Year adjustments	(7,685,904)	-	(7,685,904)
At June 30, 2021	418,202,115	-	418,202,115

Prior adjustments relate to refunds from a service provider (KCB leadership Centre) of Kes 111,920/= and Imprest surrenders amounting to Kes 7,797,824/= relating to FY 2019/2020.

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For year ended June 30, 2021

16. STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2021

Description	Notes	2020-2021	2018-2020
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Government grants and subsidies	6	42,000,000	602,186,901
Other income, rentals and agency fees	12	-	88
Total Receipts		42,000,000	602,186,989
Payments			
Operating and Other Administrative Cost	7	67,768,428	112,614,889
Other General Expenses	8	26,866	4,424
Employee costs	9	6,358,448	18,696,330
Board Expenses	10	2,935,000	4,000,000
Adjusted for:			
Changes in receivables		7,307,624	(7,797,824)
Prior year adjustment		(7,685,904)	-
Net cash flows from operating activities	15	(35,487,022)	439,073,522
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	16	(417,713,500)	(5,864,840)
Net cash flows used in investing activities		(417,713,500)	(5,864,840)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(453,180,522)	453,208,682
Cash and cash equivalents at 1 July 2020	13	453,208,682	-
Cash and cash equivalents at 30 JUNE 2021	13	23,160	453,208,682

Annual Reports and Financial Statements
For the year ended June 30, 2021

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

Description	Original budget 2020-2021 Kshs	Adjustments 2020-2021 Kshs	Final budget 2020-2021 Kshs	Actual on comparable basis 2020-2021 Kshs	Performance difference 2020-2021 Kshs	% Performance difference 2020-2021 Kshs
Revenue						
Government grants and subsidies	80,000,000	(40,000,000)	40,000,000	42,000,000	(2,000,000)	105%
Other Income						
Total Income	80,000,000	(40,000,000)	40,000,000	42,000,000	(2,000,000)	105%
Recurrent Expenses						
Operating and Other Administrative Cost	55,880,000	-	55,880,000	67,768,428	(11,888,428)	121%
Employee Cost	16,000,000	-	16,000,000	6,358,448	9,641,552	40%
Board Expenses	5,120,000	-	5,120,000	2,935,000	2,185,000	57%
Other General Expenses	3,000,000	-	3,000,000	26,866	2,973,134	1%
Total Recurrent expenditure	80,000,000	-	80,000,000	77,088,742	2,911,258	96%
Operating Surplus(Deficit) for the year	-	(40,000,000)	(40,000,000)	(35,088,742)	(4,911,258)	
Capital Expenditure						
Acquisition of PPE	450,000,000		450,000,000	417,713,500	32,286,500	93%
Total Capital Expenditure	450,000,000	-	450,000,000	417,713,500	32,286,500	93%
Net Expenditure	530,000,000	-	530,000,000	494,802,242	35,197,758	
Surplus/(Deficit) for the Year	(450,000,000)	(40,000,000)	(490,000,000)	(452,802,242)	(37,197,758)	

18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

NAMATA is established by and derives its authority and accountability from the Nairobi Metropolitan Area Transport Authority Order, 2017. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is planning, managing and regulating Mass Rapid Transit Systems in Kenya.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Authority.

The financial statements have been prepared in accordance with the PFM Act and the Nairobi Metropolitan Area Transport Authority Order, 2017 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash fl
Amendments to Other IPSAS resulting from IPSAS 41,	Applicable: 1st January 2022: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For the year ended June 30, 2021

Standard	Effective date and impact:
Financial Instruments	b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other Improvements to IPSAS	Applicable: 1st January 2021: a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for FY 2020-2021 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of on the 2020-2021 budget following the governing body's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 1 of these financial statements.

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

e) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

f) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

h) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

i) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Research and development costs (Continued)

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

j) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Research and development costs (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) Inventories

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

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

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

q) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

r) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made: e.g.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

6 TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2020-2021	2018-2020
	KShs	KShs	KShs	KShs	KShs	KShs
State department for Housing and Urban Development	42,000,000	-	-	42,000,000	639,704,363	597,704,363
State department for Public Works	-	-	-	-	4,482,538	4,482,538
Total	42,000,000	-	-	42,000,000	644,186,901	602,186,901

7 OPERATING AND OTHER ADMINISTRATIVE COST

Description	2020-2021	2018-2020
	Kshs	KShs
Communication, supplies and services	180,000	19,460
Domestic travel and subsistence	4,565,975	6,636,161
Foreign travel and subsistence	740,320	8,122,814
Printing, advertising and information supplies & services	-	3,974,155
Training expenses	1,121,000	7,691,013
Hospitality supplies and services	1,182,500	9,257,498
Specialised Materials and Supp	5,857,500	-
Office general supplies and services	54,101,133	76,727,434
Fuel Oil and Lubricants	20,000	-
Routine maintenance – vehicles and other transport equipment	-	186,353
Total	67,768,428	112,614,889

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 OTHER GENERAL EXPENSES

Description	2020-2021	2018-2020
	KShs	KShs
Other general expenses	26,866	4,424
Total	26,866	4,424

9 EMPLOYEE COSTS

Description	2020-2021	2018-2020
	KShs	KShs
Basic Wages - Temporary Employees	435,000	426,700
Personal Allowances paid as part of Salary	5,923,448	18,269,630
Total	6,358,448	18,696,330

10 BOARD EXPENSES

Description	2020-2021	2018-2020
	KShs	KShs
Board Allowances	2,935,000	4,000,000
Total	2,935,000	4,000,000

11 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2018-2020
	KShs	KShs
Property, plant and equipment	5,894,585	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	5,894,585	-

12 GAIN ON FOREIGN EXCHANGE TRANSACTIONS

Description	2020-2021	2018-2020
	KShs	KShs
Exchange Gains	-	88
Total	-	88

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 CASH AND CASH EQUIVALENTS

Description	2020-2021	2018-2020
	KShs	KShs
Current account	28,160	453,208,682
Others(specify)	-	-
Total cash and cash equivalents	28,160	453,208,682

13 (a) DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	2020-2021	2018-2020
		KShs	KShs
a) Current account			
Kenya Commercial bank	1241411352	28,160	453,208,682
Sub- total		28,160	453,208,682
b) Others(specify)			
cash in hand			-
Sub- total			-
Grand total		28,160	453,208,682

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021	2018-2020
	KShs	KShs
Current receivables		
Outstanding Imprests	490,200	7,797,824
Total current receivables	490,200	7,797,824

14 (a). OUTSTANDING IMPREST REGISTER

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance 2020
	Kshs		Kshs	Kshs
	a		b	c=a-b
Solomon Mankwili David	490,200			490,200
				-
	490,200			490,200

15 CASH GENERATED FROM OPERATIONS

Description	2020-2021	2018-2020
	KShs	KShs
Surplus/Deficit for the year	(40,933,327)	466,871,346
Adjusted for:		
Prior Year adjustments	(7,685,904)	-
Depreciation	5,894,585	-
Working Capital adjustments		
Increase in receivables	7,307,624	(7,797,824)
Net cash flow from operating activities	(35,467,022)	459,073,522

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 PROPERTY, PLANT AND EQUIPMENT

Particulars	Land and Buildings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs
COST				
Opening balance as at 1st July 2020	-	5,864,840	-	5,864,840
Additions	400,000,000	2,055,000	15,658,500	417,713,500
Disposals				
Closing balance 30th June 2021	400,000,000	7,919,840	15,658,500	423,578,340
DEPRECIATION AND IMPAIRMENT	0%	25%	25%	
Opening balance as at 1st July 2020				-
Depreciation for the FY year		1,979,960	3,914,625	5,894,585
Closing balance 30th June 2021	-	1,979,960	3,914,625	5,894,585
NET BOOK VALUE				
As at 30th June 2021	400,000,000	5,939,880	11,743,875	417,683,755
As at 30th June 2020	-	5,864,840	-	5,864,840

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For the year ended June 30, 2021
NOTES TO THE FINANCIAL STATEMENTS (Continued)

17 RELATED PARTY BALANCES

Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Description	2020-2021	2018-2020
	KShs	KShs
Transactions with related parties		
a) Grants from other Government Entities		
State department for Housing and Urban Development	42,000,000	597,704,363
State department for Public Works	-	4,482,538
Total	42,000,000	602,186,901

18 EVENTS AFTER THE REPORTING PERIOD

There were no material adjusting and non- adjusting events after the reporting period.

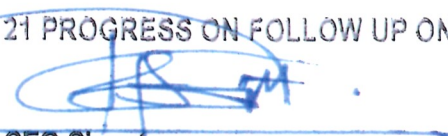
19 ULTIMATE AND HOLDING ENTITY

The entity is a Semi- Autonomous Government Agency under the Ministry of Transport, Infrastructure, public works, Housing and Urban Development . Its ultimate parent is the Government of Kenya.

20 CURRENCY

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

21 PROGRESS ON FOLLOW UP ON AUDITORS RECOMMENDATIONS.


CEO Signature


Head of Accounts

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For the year ended June 30, 2021

22 APPENDICES

APPENDIX I: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
The Design And Build Project For The Bus Rapid Transit(Brt)Facilities On Thika Superhighway		N/A	18 MONTHS	N/A	NO	YES

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, ie total costs incurred, stage which the project is etc)

	Project	Total project Cost (KES)	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	The Design And Build Project For The Bus Rapid Transit(Brt)Facilities On Thika Superhighway	5,575,071,798.84	400,000,000	55%	400,000,000	400,000,000	GOK

APPENDIX II: INTER-ENTITY TRANSFERS

	ENTITY NAME:	THE NAIROBI AREA TRANSPORT AUTHORITY (NaMATA)		
	Break down of Transfers from the State Department of Housing and Urban Development			
	PERIOD 2020-2021			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		13/10/2020	20,000,000	FY 2020/2021
		18/12/2020	20,000,000	FY 2020/2021
		25/01/2021	10,000,000	FY 2020/2021
		02/02/2021	10,000,000	FY 2020/2021
		11/02/2021	(18,000,000)	FY 2020/2021
		Total	42,000,000	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	-	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	-	

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

Ag. Finance Manager

Sign



Ag. Head of Accounting Unit



Sign-

THE NAIROBI AREA TRANSPORT AUTHORITY (NAMATA)

Annual Reports and Financial Statements

For the period ended June 30, 2020

APPENDIX III: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Developm ent/Others	Total Amount - KES	Where Recorded/recognized					Total Tran during the
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
State department of Housing and Urban Development	13/10/2020	Recurrent	20,000,000	20,000,000	-	-	-	-	20,00
State department of Housing and Urban Development	18/12/2020	Recurrent	20,000,000	20,000,000	-	-	-	-	20,00
State department of Housing and Urban Development	25/01/2021	Recurrent	10,000,000	10,000,000	-	-	-	-	10,00
State department of Housing and Urban Development	02/02/2021	Recurrent	10,000,000	10,000,000	-	-	-	-	10,00
State department of Housing and Urban Development	11/02/2021	Recurrent	(18,000,000)	(18,000,000)	-	-	-	-	(18,000
Total			42,000,000	42,000,000	-	-	-	-	42,00

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NaMATA)
Annual Reports and Financial Statements
For the year ended June 30, 2021

APPENDIX II: INTER-ENTITY TRANSFERS

	ENTITY NAME:	THE NAIROBI AREA TRANSPORT AUTHORITY (NaMATA)		
	Break down of Transfers from the State Department of Housing and Urban Development			
	PERIOD 2020-2021			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		13/10/2020	20,000,000	FY 2020/2021
		18/12/2020	20,000,000	FY 2020/2021
		25/01/2021	10,000,000	FY 2020/2021
		02/02/2021	10,000,000	FY 2020/2021
		11/02/2021	(18,000,000)	FY 2020/2021
		Total	42,000,000	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	-	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	-	

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

Ag. Finance Manager

Ag. Head of Accounting Unit

Sign



Sign-



THE NAIROBI AREA TRANSPORT AUTHORITY (NAmATA)

Annual Reports and Financial Statements

For the period ended June 30, 2020

APPENDIX III: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Developm ent/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
State department of Housing and Urban Development	13/10/2020	Recurrent	20,000,000	20,000,000	-	-	-	-	20,000,000
State department of Housing and Urban Development	18/12/2020	Recurrent	20,000,000	20,000,000	-	-	-	-	20,000,000
State department of Housing and Urban Development	25/01/2021	Recurrent	10,000,000	10,000,000	-	-	-	-	10,000,000
State department of Housing and Urban Development	02/02/2021	Recurrent	10,000,000	10,000,000	-	-	-	-	10,000,000
State department of Housing and Urban Development	11/02/2021	Recurrent	(18,000,000)	(18,000,000)	-	-	-	-	(18,000,000)
Total			42,000,000	42,000,000	-	-	-	-	42,000,000