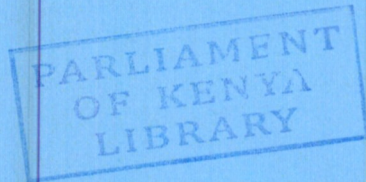


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE NATIONAL ASSEMBLY PAPERS LAID	
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THE AUDITOR-GENERAL

ON

**KISUMU URBAN PROJECT (PROJECT
ADVANCE ACCOUNT) - CKE 1035.01.G**

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

COUNTY GOVERNMENT OF KISUMU



Project Name: KISUMU URBAN PROJECT (PROJECT ADVANCE ACCOUNT)

Implementing Entity CITY OF KISUMU

PROJECT GRANT/CREDIT NUMBER AFD CREDIT No CKE 1035.01. G

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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***Kisumu Urban Project
Reports and Financial Statements
For the financial year ended June 30, 2021***

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is KISUMU URBAN PROJECT

Objective: The key objective of the project is to improve the livelihood of the residents of Kisumu.

Address: The project headquarters offices are in Kisumu County, Kenya.

The address of its registered office is:

Milimani Office, Tom Mboya Drive
P.O Box 7492-40100
KISUMU.

Contacts: The following are the project contacts

Telephone: (254) 77554307

E-mail: kupsecretariat@ymail.com

Website: www.citycouncilofkisumu.or.ke

1.2 Project Information

Project Start Date:	The project start date is 12th March,2012
Project End Date:	The project end date is 31 st January, 2022.
Project Manager:	The project manager is Michael Abala Wanga, City Manager
Project Sponsor:	The project sponsor is Agence Francaise De Development (AFD)

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Lands, Housing and Urban Development (State Department of Housing and Urban Development)
Project number	CKE 1035.01. G
Strategic goals of the project	The strategic goals of the project are as follows: (i) promoting an inclusive and sustainable development in Kisumu (ii) Improvement of land management and urban planning. (iii) (iii) Rehabilitation and creation of public facilities and infrastructure.

***Kisumu Urban Project
Reports and Financial Statements
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Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Solid waste management (ii) slum upgrading (iii) commercial infrastructure (iv) public infrastructure rehabilitation
Other important background information of the project	The project is financed by a credit facility from French Government to the Government of Kenya which was redirected as a grant to the City of Kisumu.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) slum upgrading (ii) commercial and public infrastructure
Project duration	The project started on 12th March, 2012 and is expected to run until 31 January, 2022.

1.4 Bankers

Diamond Trust Bank, West End Mall Branch
P.O Box 1081-40100, Kisumu
Account No 0075090002

1.5 Auditors

For the year under review, the project is being audited by the Auditor General and PKF Consulting Limited.

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1.6 Roles and Responsibilities

List the different people who will be working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

Names	Title designation	Key qualification	Responsibilities
Michael Abala Wanga	City Manager	Master's in Business Administration	Project Manager
Emmanuel Opetu	Finance Officer	CPA, BCom	Finance
Japheth Orwa	Project Accountant	CPA(K), BCom, SMC, MBA-Ongoing	Accountant
Charles Omollo	Project Administrator	BCom, MBA On going	Administrator

1.7 Funding summary

The Project is for duration of 10 years from 2012 to 2022 with an approved budget of €40M (use donor currency) equivalent to approximately KShs 4.0B as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30 06 2021)		Undrawn balance to date (30 06 2021)	
	<i>Donor currency (€)</i>	<i>KShs</i>	<i>Donor currency (€)</i>	<i>KShs</i>	<i>Donor currency (€)</i>	<i>KShs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Grant						
AFD	€40M	KS4.0B	€34.613M	KS3.881B	€5.386M	KS0.538B
(II) Loan	0.00	0.00	0.00	0.00	0.00	0.00
(III) Counterpart funds						
Government of Kenya	0.00	0.00	0.00	0.00	0.00	0.00
Total	€40M	KS 4.0B	€34.613M	KS3.881B	€5.386M	KS.538B

In the previous financial statements for FY 2019/2020 the management erroneously indicated that the amount received as at 30th June, 2020 was EUR 36.026M which translates to KES 3.962B. By then, the management had not reconciled the amount of direct payments made by the lender on behalf of the Project. After confirmation of the direct payments and the actual amount received in Kenya Shillings both at KCB and DTB, we now confirm that the actual disbursement is EUR 34.613M

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(transfers to CEF (before opening of PAA), transfers to PAA and direct payment by the lender) corresponding to KShs 3. 881Billion. Refer to AFD mission report dated January, 2021 confirming the actual amount disbursed by the lender to the borrower.

1.8 Summary of Overall Project Performance:

The total amount disbursed as at 30th June 2021 is € 34,613,123 as explained in the table below equivalent to KES 3,881,882,570.00 representing 86% of the entire credit. The undrawn balance of € 5,386,877 was cancelled by the Lender. The amount received has been invested in sub projects/contracts as shown in the project status report.

Contract	Amount in Euros
AFD Grant(€ 40,000,000)	40,000,000
	40,000,000
Direct payments	5,871,160
CAA Disbursements 1 & 2	184,119
PAA Disbursement 1	5,000,000
PAA Disbursement 2	4,424,700
PAA Disbursement 3	921,253
PAA Disbursement 4	2,049,181
PAA Disbursement 5	16,162,710
Total	34,613,123

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A schedule of direct payments made by the lender on behalf of the final beneficiary is as follows.
There was no direct payment during the year under review.

Ref, of payment and date of payment	Références/beneficiary	Contract	Amounts	Exchange Rate	KES
<u>*KE0001 0001</u>	<u>JUSTIFICATION/CEF</u>		<u>0.00</u>	-	-
N° 001	AUDIT 2013		55,358.59		
	AUDIT 2013		28,760.85		
<u>*KE0002 0001</u>	<u>KENYA- CASH EXPENDITURE FUND</u>	<u>Cash Expenditure Fund</u>	<u>100,000.00</u>	-	-
17/09/2012 R	134/78/01/		100,000.00		
<u>KE0003 0001</u>	<u>SOFRECO</u>	<u>Consultant -TA MCK</u>	<u>437,520.00</u>	<u>109.85</u>	-
02/10/2012 R	12116-001		437,520.00		48,059,821.92
<u>KE0004 0001</u>	<u>NODALIS</u>	<u>Consultant - ISUDP</u>	<u>57,597.50</u>	<u>112.17</u>	-
12/12/2012 R	2012-05/58		57,597.50		6,460,740.37
<u>KE0005 0001</u>	<u>RIRKOS CONTRACTORS</u>	<u>Supply of KUP Furniture</u>	<u>9,227.97</u>	-	-
02/07/2013 R	INV N°0563		1,016,000.00		1,016,000.00
<u>KE0006 0001</u>	<u>LEGEND</u>	<u>Improvement Works KUP offices</u>	<u>12,424.90</u>	-	-
25/07/2013 R	INV N° 198		1,404,013.50		1,404,013.50
<u>KE0007 0001</u>	<u>SOFRECO</u>	<u>Consultant -TA MCK</u>	<u>616,903.20</u>	<u>118.59</u>	73,157,316.68
17/12/2013 R	13436-007		109,380.00	118.59	12,971,155.44
	13435-006		99,535.80	118.59	11,803,751.45
	13200-005		99,535.80	118.59	11,803,751.45
	13199-004		99,535.80	118.59	11,803,751.45

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	13198-003		99,535.80	118.59	11,803,745
	12470-002		109,380.00	118.59	12,971,154
<u>KE0008 0001</u>	<u>LOG ASSOCIATES</u>	<u>Study - Disposal of Solid Waste- KSM</u>	<u>14,632.48</u>	<u>118.59</u>	-
17/12/2013 R	P/001/2013		1,712,000.00		1,712,000.00
<u>KE0009 0001</u>	<u>NODALIS</u>	<u>Consultant - ISUDP</u>	<u>46,078.00</u>	<u>117.20</u>	-
19/12/2013 R	13-08/738		46,078.00		5,400,437.76
<u>KE0010 0001</u>	<u>MATENGO AND ASSOCIATES</u>	<u>External Audit - CEF</u>	<u>15,600.39</u>	-	-
06/01/2014 R	N° 7/08		1,825,246.00		1,825,246.00
<u>KE0011 0001</u>	<u>NODALIS</u>	<u>Consultant - ISUDP</u>	<u>72,988.50</u>	<u>116.95</u>	<u>8,536,130.55</u>
06/02/2014 R	2013-11/77		72,988.50		
<u>KE0012 0001</u>	<u>SOFRECO</u>	<u>Consultant -TA MCK</u>	<u>99,535.80</u>	<u>118.27</u>	<u>11,772,248.37</u>
14/02/2014 R	13510-008		99,535.80		
<u>*KE0013 0001</u>	<u>KENYA- CASH EXPENDITURE FUND</u>	<u>Cash Expenditure Fund</u>	<u>84,119.44</u>	-	-
11/06/2014 R	134/78/01		84,119.44		
<u>KE0014 0001</u>	<u>NODALIS</u>	<u>Consultant - ISUDP</u>	<u>95,126.00</u>	<u>119.66</u>	<u>11,382,567.98</u>
09/07/2014 R	2014-01/78		54,358.00	119.66	6,504,478.28
	2014-04/82		40,768.00	119.66	4,878,209.19
<u>KE0015 0001</u>	<u>LOG ASSOCIATES</u>	<u>Study - Disposal of Solid Waste- KSM</u>	<u>19,561.95</u>	-	-
16/07/2014 R	LOG02/2013		2,282,880.00		2,282,880.00
<u>KE0016 0001</u>	<u>ITEC ENG.LTD</u>	<u>Detailed Design Road and Storm Water drains</u>	<u>15,326.90</u>	-	-
01/08/2014 R	INV. N° 1		1,787,116.00		1,787,116.00

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00017 0001	<u>SOFRECO</u>	<u>Consultant -TA MCK</u>	<u>99,535.80</u>	<u>117.63</u>	-
2/08/2014 R	14187-009		99,535.80		11,707,958.20
KE0018 0001	<u>CMC MOTORS</u>	<u>Supply of Vehicles</u>	<u>158,818.37</u>	-	-
18/08/2014 R	INV.001498		2,931,034.50		
	INV.001499		4,167,241.40		
	INV.001500		11,159,483.75		
			18,257,759.65		18,257,759.65
KE0019 0001	<u>MAESTRO ARCH</u>	<u>Detailed design and Supervision 5 model schools</u>	<u>85,420.73</u>	-	-
15/09/2014 R	INV.N° 02		3,862,725.32		
	INV. N° 03		5,794,088.48		
			9,656,813.80		9,656,813.80
KE0020 0001	<u>ITEC ENG.LTD</u>	<u>Detailed Design Road and Storm Water drains</u>	<u>23,722.78</u>	-	-
19/09/2014 R	INV.N° 2		2,680,674.00		2,680,674.00
KE0021 0001	<u>MATENGO AND ASSOCIATES</u>	<u>External Audit - CEF</u>	<u>5,384.20</u>	-	-
23/09/2014 R	INV. N4/05		608,415.00		608,415.00
KE0022 0001	<u>COMPULYNX</u>	<u>Supply of Computer equipment</u>	<u>3,638.24</u>	-	-
17/10/2014 R	N°11726		396,120.69		
	N° 11708		15,000.00		
			411,120.69		411,120.69
KE0023 0001	<u>PHILCORS</u>	<u>Supply of Computer equipment</u>	<u>8,552.09</u>	-	-
22/10/2014 R	INV. N°064		948,000.00		948,000.00
KE0024 0001	<u>EDON CONSULT</u>	<u>Design and Supervision- Health Centres</u>	<u>10,344.83</u>	-	-
05/11/2014 R	KUPHC/01		1,200,000.00		1,200,000.00
KE0029 0001	<u>EDON CONSULT</u>	<u>Design and Supervision- Health Centres</u>	<u>-10,344.83</u>	-	-

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05/11/2014 R	KUPHC/01		-1,200,000.00		-1,200,000.00
KE0025 0001	MAESTRO ARCH	Detailed design and Supervision 5 model schools	72,984.91	-	-
09/01/2015 R	INV N° 4		7,725,452.67		7,725,452.67
KE0026 0001	MATCH ELECTRICALS	Supply and Installation of Highmast Floodlights	472,238.25	-	-
13/01/2015 R	INV. 14393		50,222,538.00		50,222,538.00
KE0027 0001	BENA GENERAL MERCHANTS	Supply of GIS equipment	7,531.28	-	-
23/01/2015 R	FEE NOTE 1		794,550.00		794,550.00
KE0028 0001	ITEC ENG.LTD	Detailed Design Road and Storm Water drains	25,409.23	-	-
23/01/2015 R	INV N° 3		2,680,674.00		2,680,674.00
KE0030 0001	DIASPORA	Design tender and Supervision Rehab centres	20,843.22	-	-
23/01/2015 R	INV N°449		732,986.50		
	INV N° 448		1,465,973.00		
			2,198,959.50		2,198,959.50
KE0031 0001	EDON CONSULT	Design and Supervision- Health Centres	11,374.41	-	-
23/01/2015 R	KUPHC/01		1,200,000.00		1,200,000.00
KE0032 0001	MATENGO AND ASSOCIATES	External Audit - CEF	5,766.97	-	-
23/01/2015 R	NOTE 13/10		608,415.00		608,415.00
KE0033 0001	OTIENO ODONGO & PARTNERS	Detailed Design and tender docs - Bitumen Roads	96,630.66	-	-
27/01/2015 R	FEE NOTE 1		9,803,200.00		9,803,200.00
KE0034 0001	AWEMAC	Review of Intergrated Solid	25,033.94	-	-

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		<u>Waste Management Plan</u>			
06/02/2015 R	INV N° 058		2,581,000.00		2,581,000.00
KE0035 0001	<u>E-CUE ASSOCIATES LIMITED</u>	<u>Decommissioning Audit - Kachok Waste Disposal Site</u>	<u>33,564.93</u>	-	-
06/02/2015 R	KDA01-2014		3,460,545.00		3,460,545.00
KE0036 0001	<u>MATCH ELECTRICALS</u>	<u>Supply and Installation of Highmast Floodlights</u>	<u>378,261.84</u>	-	-
17/04/2015 R	CERT. N° 2		36,918,356.00		36,918,356.00
*KE0038 0001	<u>KENYA - PROJECT ADVANCE</u>	<u>Project Advance</u>	<u>5,000,000.00</u>	-	-
05/05/2015 R	134/78/01		5,000,000.00		
KE0039 0001	<u>SOFRECO</u>	<u>Consultant -TA MCK</u>	<u>407,987.40</u>	<u>106.29</u>	<u>43,364,001.58</u>
05/05/2015 R	14270-010		99,535.80		
	14439-011		109,380.00		
	14532-012		99,535.80		
	14533-013		99,535.80		
KE0040 0001	<u>EDON CONSULT</u>	<u>Design and Supervision- Health Centres</u>	<u>15,786.88</u>	-	-
12/05/2015 R	KUPHC/02		1,600,000.00		1,600,000.00
KE0041 0001	<u>RURAL WATER AND SANITATION ORG.</u>	<u>ESIA - Building Works</u>	<u>15,055.94</u>	-	-
18/05/2015 R	INV JAN 21		1,525,920.00		1,525,920.00
KE0042 0001	<u>E-CUE ASSOCIATES LIMITED</u>	<u>Decommissioning Audit - Kachok Waste Disposal Site</u>	<u>42,137.53</u>	-	-
24/07/2015 R	KDA02-2015		4,614,060.00		4,614,060.00
KE0043 0001	<u>BRIDGESTONE CONSTRUCTION</u>	<u>Rehabilitation of CBD Drainage</u>	<u>31,109.59</u>	-	-

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	<u>CO.LTD</u>	<u>System</u>			
12/08/2015 R	IPC N° 1		3,406,500.00		3,406,500.00
<u>KE0044 0001</u>	<u>SAFE ENVIRONMENT CONSULT</u>	<u>ESIA - Civil works</u>	<u>56,863.01</u>	-	-
12/08/2015 R	INV. N°22		6,226,500.00		6,226,500.00
<u>KE0045 0001</u>	<u>SOFRECO</u>	<u>Consultant -TA MCK</u>	<u>99,535.80</u>	<u>116.16</u>	<u>11,562,566.25</u>
28/08/2015 R	15207-015		99,535.80		
<u>KE0045 0002</u>	<u>SOFRECO</u>	<u>Consultant -TA MCK</u>	<u>99,535.80</u>	<u>116.51</u>	<u>11,597,314.20</u>
31/08/2015 R	15047-014		99,535.80		
<u>KE0046 0001</u>	<u>SOFRECO</u>	<u>Consultant -TA MCK</u>	<u>109,380.00</u>	<u>111.48</u>	<u>12,193,507.39</u>
13/01/2016 R	15313-016		109,380.00		
<u>KE0050 0001</u>	<u>SOFRECO</u>	<u>Consultant -TA MCK</u>	<u>267,136.00</u>	<u>113.32</u>	<u>30,271,985.09</u>
16/03/2017 R	16330-001		267,136.00		
<u>*KE0048 0001</u>	<u>KENYA</u>	<u>Project Advance</u>	3,000,000.00		
21/10/2016 R	134/78/01		3,000,000.00		
<u>*KE0049 0001</u>	<u>KENYA</u>	<u>Project Advance</u>	1,424,700.00		
21/10/2016 R	134/78/01		1,424,700.00		
<u>KE0051 0001</u>	<u>SOFRECO</u>	<u>Consultant -TA MCK</u>	<u>215,310.00</u>	<u>115.37</u>	<u>24,839,238.15</u>
19/05/2017 R	15414-017		46,054.32		
	16162-018		46,054.32		
	16163-019		61,600.68		
	16164-020		61,600.68		
<u>*KE0052 0001</u>	<u>KENYA</u>	<u>Project Advance</u>	921,253.45		
27/07/2017 R	134/78/01		921,253.45		
<u>*KE0053 0001</u>	<u>KENYA</u>	<u>Project Advance</u>	2,049,181.00		
26/06/2018 R	134/78/01		2,049,181.00		

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The Annual budget of the project is the budget approved under the State Department of Housing and Urban Development. There was no budget for the FY 2020/2021 since all the funds had been received by 30th June, 2020. The project status report contains a schedule of completed, ongoing and project/contracts still under procurement.

The project has faced several challenges including;

1. Lack of financial management software-the projects financial records are prepared on excels which is not reliable and adequate to cater for the project's financial needs.
2. Irregular mobilization of TATs
3. Delays in funds disbursement
4. Termination of some work contracts leading to fresh procurement hence delays
5. Clearance of road encroachment on road project and relocation of service lines.
6. Lack of capacity on the part of the officers of the City.

Assignment Details	Contractor	Status	Progress	Expected completion date	Output	Outcome	Impacts
CAA external Audit	Matengo and Associates	Complete	100 %		Audits carried out as planned	Audit compliance	Value for Money
Review of Kiswamp	Africa waste and environment Mngt Centre	Complete	100 %		KISWAMP Report submitted	Streamlined environmental conservation within Kisumu	Enhanced quality of life for residents of Kisumu
Decommissioning audit of Kachok	E-Cue Associates	Complete	100 %		Decommissioning Report submitted	Kachok Dumpsite decommissioned	Enhanced quality of life for residents of Kisumu
ESIA for civil works	Safe Environment Consultancy Ltd	Complete	100 %		ESIA Report submitted	Improved Compliance to NEMA regulations	Improved livelihoods after implementation of the projects
ESIA for building works	Rutal Water and Sanitation	Complete	100 %		ESIA Report submitted	Improved Compliance to	Improved livelihoods after implementation of

**Kisumu Urban Project
Reports and Financial Statements
For the financial year ended June 30, 2021**

	Organisati on					NEMA regulations	the projects
Office furniture	Bena General Merchants	Complete	100 %		Furniture supplied	Improved work environme nt	Improved performance
Land fill siting study	Log Associates	Complete	100 %		Sitting Study report submitted	Constructi on of an alternative sanitary landfill	improved waste management system within the City of Kisumu
ISUD Plan(€ 271,790)	Nodalis Conceil	Complete	100 %		ISUD Plan completed	Streamline d developme nt within the city	Enhanced livelihoods of the residents of the city
Masonry fence and other improvements at KUP	Legend Contractor s	Complete	100 %		Fence and other works completed	Security improved	Improved performance of the staff in project activities
Temporary KUP office renovation	Rirkos Contractor s	Complete	100 %		Temporary KUP offices works completed	improved office space	Improved performance of the staff in project activities
28 No High mast floodlights	Match Electricals Ltd	Complete	100 %		28High Masts floodlights installed	Enhanced security	improved economic activities and livelihoods
KUP Secretariat ICT		Complete	100 %		ICT equipment supplied	improved working environme nt for staff	Improved performance of the staff in ptoject activities
KUP Secretariat Project Vehicles	CMC Kenya Ltd	Complete	100 %		Vehicles delivered	Improved mobility	Improved performance of the staff in ptoject activities
Construction of Kakoth bridge	Calmex Constructi on Services Ltd	Complete	100 %		Bridge constructed	Improved connectivit y though the bridge	improved economic activities and livelihoods
Bio Centres	Umande Trust	Complete	100 %		3 Bio Centres constructed as per design	improved sanitation in the	Improved livelihoods after implementation of

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						schools	the projects
Satellite Imagery and Digital Mapping	Regional Centre for mapping and resources for development	Complete	100 %		Digital mapping complete	improved data capture and mapping	Enhanced livelihoods of the residents of the City
Hand tools and branded protective wares	Nyolas Enterprises	Complete	100 %		Hand tools supplied	improved working environment for staff	Enhanced livelihoods of the residents of the City
Construction of Health Centre at Lumumba Phase 1	Chaju Builders Ltd.	Complete	100 %		Health Centre phase 1 constructed	improved health care services	Enhanced livelihoods of the residents of the City
Supply of Motorcycles	Rockey Africa Ltd	Complete	100 %		Motor cycles delivered	Improved work environment	Enhanced livelihoods of the residents of the City
Design and supervision of construction of schools	Maestro Architects	Complete	100 %		Design and supervision done for schools	improved learning environment in schools	improved performance in schools
KUP TAT n° 1 2012/2016 (€ 2, 731, 050)	Sofreco	Complete	100 %		Technical Assistance	enhanced project implementation	Improved livelihoods after implementation of the projects
Upgrade to gravel Otonglo - Prison - Auji - Pundo Rds	Esiko Kenya Enterprises Limited	Complete	100 %		Project delivered as per design	improved accessibility	Improved livelihoods after implementation of the projects
Design and supervision of construction of Jubilee Market	AAKI Consultants	Complete	100 %		Design done for jubilee market complete	enhanced project implementation	Improved livelihoods after implementation of the projects
Design and supervision of construction	Dama Services	Complete	100 %		Design done for Kibuye market	enhanced project implementation	Improved livelihoods after implementation of

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Expansion of KUP offices-force account	Force Account	Complete	100 %	complete	KUP Offices expansion complete as per design	improved office space	enhanced staff performance
Training and Workshops + change visits		on-going	100 %		Number of Trainings conducted	improved knowledge levels	Improved performance of the staff in project activities
Community engagement activities & media		on-going	100 %		Engagement and communication activities conducted	enhanced stakeholder participation	Improved livelihoods after implementation of the projects
Upgrade to M'Big Estate Rds (lot 3)	M'Big Ltd.	Complete	100 %		Road project complete as per design	improved accessibility	Improved livelihoods after implementation of the projects
Rehabilitation of Kisumu Social Centre	Watiti Contractors	Complete	100 %		Social Centre completed as per design	Improved access to modern social facility	Improved livelihoods after implementation of the projects
Schools Construction-Gotabondo Primary School	Guumba Contractors	Complete	100 %		School constructed as per design	Improved access to modern school facility	improved performance in schools
Schools Construction-Pweya Primary School	Comacon ltd.	Complete	100 %		School constructed as per design	Improved access to modern school facility	improved performance in schools
ICT Equipment and training			100 %		Equipment delivered	Enhanced work environment	Improved performance of the staff in project activities
Design and supervision of construction gravel rds	ITEC Engineering Ltd	Services complete	100 %		Design and supervision of gravel roads complete	enhanced project implementation	improved economic activities and livelihoods

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Design and supervision of construction of bitumen rds	Otieno Odongo and Partners	Complete	100 %		Design and supervision done for Bitumen roads	enhanced project implementation	improved economic activities and livelihoods
Design and supervision of construction of Lumumba health centre Ph I	Edon Consultants	Complete	100 %		Design and supervision done for Lumumba Health Centre phase 1	enhanced project implementation	improved economic activities and livelihoods
Design and supervision of construction of social centre	Diaspora Design Build Ltd.	Complete	100 %		Design and supervision done for social centre	enhanced project implementation	improved economic activities and livelihoods
SWM Equipment-Toyota Kenya Ltd	Toyota Kenya Ltd	Delivered	100 %		equipment delivered	Enhanced work environment	Improved performance of the staff in project activities
SWM Equipment-Achelis Material Handling Ltd	Achelis material Handlers	Delivered	100 %		equipment delivered	Enhanced work environment	Improved performance of the staff in project activities
Local Physical Development Planning	Group Huite	Complete	100 %		Plan completed	Enhanced city development as per plan	improved economic activities and livelihoods
Schools construction-Rota Primary School	Henan Hansheng International Engineering Construction Co. Ltd	Complete	100 %		School constructed as per design	Improved access to modern school facility	improved performance in schools
Upgrade to bitumen Family Planning-Naselica Rd (Lot 5)	In-depth Construction Co. Ltd	Complete	100 %		Road project complete as per design	improved accessibility	Improved livelihoods after implementation of the projects

**Kisumu Urban Project
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Upgrade to Kummen Duala Dunga - Nanga- Five Ways Rd (Lot 1)	SBI General Contractor s Ltd.	Project complete. Streetlight's installation complete. 2nd addendum for the protection wall and extra gabions complete.	100 %		Road project complete as per design	improved accessibilit y	Improved livelihoods after implementation of the projects
Upgrade to Kummen Nairobi Rd – F W Lamasaria Rd (Lot 4)	ASCODA General Contractor s Ltd.	Project complete.	100 %		Road project complete as per design	improved accessibilit y	Improved livelihoods after implementation of the projects
Upgrade to Kummen Rds Car Wash- Site-KFW Magadi (Lot 2)	Glennstea m Engineerin g Works Ltd	Project complete.	100 %		Road project complete as per design	improved accessibilit y	Improved livelihoods after implementation of the projects
Schools construction- Thim Bonde Primary School	Polish Contractor s	Thim Bonde Pri. Sch. Complete and in use.	100 %		School constructed as per design	Improved access to modern school facility	improved performance in schools
Financial mgmt software + Installation + Training of users	CoK	Complete	100 %		Financial Management System installed and data entered	Audit complianc e	Value for Money
Use KUP funds for RAP implemetation Conglo under force account except land leasing		Complete	100 %		Implementatio n of the RAP done as per donor No Objection	Smooth relocation of traders to te temporary site	improved economic activities and livelihoods
Records	Softcom	Complete	100		Electronic	Improved	Improved

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Management	Business Solutions		%		Data Management System installed and operational	records management within the City	performance of the staff in project activities
Consolidated Works for 2 gravel roads	Damtech Enterprises Limited	ongoing	60%	9/30/2021	Road project complete as per design	improved accessibility	Improved livelihoods after implementation of the projects
Otonglo market improvement works phase I	Sanabil General Suppliers Ltd	ongoing	75%	31/12/2021	Market constructed as per design	enhanced market activities and increased revenue	improved economic activities and livelihoods
Proposed construction of 5 No Pit latrines for the 5 Model Schools	Watiti Contractors	works complete	95%	8/30/2021	Project delivered as per design	Improved Sanitation in schools	improved performance in schools
Lumumba phase II works	Chaju Builders ltd.	Contract for phase 2 signed. Contractor has mobilized after site handover on 6th may, works on going	75%	1/30/2022	Health Centre phase 2 constructed	improved access to health care facility	Improved livelihoods after implementation of the projects
Supply, delivery, installation, commissioning of blade server, set up of data centre, related services	Lantech	ongoing	85%	10/15/2021	Blade server installed	improved data storage and processing	improved economic activities and livelihoods
GIS software and Hardware	Quibic System Ltd Esri	ongoing	85%	10/30/2021	GIS software and Hardware	improved data storage	improved economic activities and livelihoods

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	Eastern Africa				delivered	and processing	
Design and supervision of construction of Dongo Market	Scenario Architects	ongoing	80%	linked to contractor's schedule	Design and supervision done the market	enhanced project implementation	improved economic activities and livelihoods
FA & CAA External Audit	PWC	Complete, pending conclusion of CEF audit after financial system entry.	90%	10/1/2021	audits carried out as planned	Audit compliance	Value for Money
Design and supervision of construction of Lumumba Health centre Phase II	Edon Consultants	Draft contracts with AFD for No Objection	75%	linked to contractor's schedule	Design and supervision done for Lumumba Health Centre phase 2	enhanced project implementation	Improved livelihoods after implementation of the projects
KUP TAT n°2 216/2017(€ 2,508,750)	SOFREC O	Complete	95%	6/30/2021	Technical Assistance	enhanced project implementation	Improved livelihoods after implementation of the projects
Other Payments (Motivational)	CoK	Remaining balance, proposal to be submitted to AFD for No Objection.	90%	7/1/2021	Amounts paid as per donor No Objection	Enhanced work environment	Improved performance of the staff in project activities
RAP and Socio-economic feasibility for Building and Civil Works + Supervision	AWEMA C	ongoing, linked to contractor's progress	75%	linked to contractor's schedule	RAP and Socio economic study conducted	Smooth relocation of traders to temporary site	improved economic activities and livelihoods
FA & CAA Internal Audit new		Contract signed			Audits carried out as planned	Audit compliance	Value for Money
Lumumba phase I		Draft contracts		9/30/2021	Equipments supplied	improved access to	Improved livelihoods after

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equipments		with AFD for No Objection				health care facility	implementation of the projects
KUP Offices works		Draft contract with AFD for No Objection		10/1/2021	KUP Offices constructed as per design	Enhanced work environment	Improved performance of the staff in project activities
KUP office furniture		request for quotation submitted to AFD for No Objection		10/10/2021	KUP Offices furniture supplied as per requirement	Enhanced work environment	Improved performance of the staff in project activities
Training and workshops + exchange visits		Some Training proposals and capacity building proposals with AFD for No Objection		12/30/2021	Number of Trainings conducted	improved knowledge levels	Improved performance of the staff in project activities
Completion of works for Schools-Thim Bode, Rota & Angira Primary Schools		Draft contract with AFD for No Objection		9/30/2021	School constructed as per design	Improved access to modern school facility	improved performance in schools
Community engagement activities & Media		Continuous		continuous	Engagement and communication activities conducted	enhanced stakeholder participation	Improved livelihoods after implementation of the projects

1.9 Summary of Project Compliance:

Areas of Non-compliance include;

1. Change of a bank signatory without a prior no objection from AFD.
2. Irregular advances to schools' contractors outside the provision of the signed contract
3. Failure to conduct supplier searches for any debarred supplier.

STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

Introduction

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

The key development objectives of the Kisumu Urban Project are to;

- (i) promoting an inclusive and sustainable development in Kisumu
- (ii) Improvement of land management and urban planning.
- (iii) Rehabilitation and creation of public facilities and infrastructure.
- (iv) Build the capacity of the Staff and members of the Project.

Progress on attainment of Strategic development objectives

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

Project	Objective	Outcome	Indicator	Performance
Kisumu Urban Project	(i) promoting an inclusive and sustainable development in Kisumu	Increased efficient transportation of people, goods and services, urban planning, streetlighting, extended business hours, increased access to other service centres.	1.5No bitumen roads build. 2. Streetlights constructed along the bitumen roads 3. Urban planning enhanced since there is master urban plan, Number of staff trained on key result areas.	In FY 2020/2021 we spent KShs 531,951,971.00 to provide different services geared towards the achievement of the objectives of the project.
	(ii) Improvement of land management and urban planning.			
	(iii) Rehabilitation and creation of public facilities and infrastructure.			
	(iv) Build the capacity of the Staff and members of the Project.			

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY

STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

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

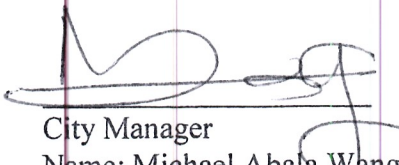
The *Project Management team* accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.


The *Project Management team* are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2021, and of the Project's financial position as at that date. The *Project Management team* further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

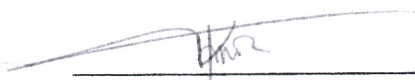
The *Project Management team* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the *Secretariat* on __10/07/2021 and signed by them.

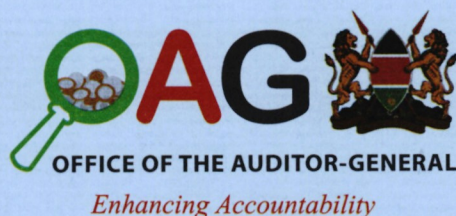

City Manager
Name: Michael Abala Wanga


Finance Officer
Name: Emmanuel Opetu


Project Accountant:
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ICPAK Member Number: 9444

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REPORT OF THE AUDITOR-GENERAL ON KISUMU URBAN PROJECT (PROJECT ADVANCE ACCOUNT) - CKE 1035.01.G FOR THE YEAR ENDED 30 JUNE 2021 - COUNTY GOVERNMENT OF KISUMU

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, gazetted 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 control, 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 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kisumu Urban Project (Project Advance Account) set out on pages 1 to 31, which comprise the statement of financial

Report of the Auditor-General on Kisumu Urban Project (Project Advance Account) - CKE 1035.01.G for the year ended 30 June 2021 - County Government of Kisumu

assets as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kisumu Urban Project (Project Advance Account) 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 (Cash Basis) and comply with term of the Financing Agreement No. CKE 1035.01.G dated 5 July, 2010 and Addendum dated 19 February, 2020 between the Republic of Kenya, the Public Finance Management Act, 2012 and the terms of the Financing Agreement and Addendum No.4.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The statement of financial assets reflects cash and cash equivalents balance of Kshs.296,972,400 as at 30 June, 2021. However, during the year under review, management recorded expenditure of Kshs.531,951,971 out of the opening cash balance of Kshs.822,287,913 which should have left a balance of Kshs.290,335,942. This therefore results to a variance of Kshs.6,636,458, which has not been explained or reconciled.

Further, the cash and cash equivalents balance of Kshs.296,972,400 as at 30 June, 2021 is at variance with the calculated balance of Kshs.296,882,076 resulting to a variance of Kshs.90,324 which was not explained or reconciled. In addition, the statement of cash flows reflects a balance of cash and cash equivalents at the end of the year of Kshs.351,234,781 while the statement of financial position reflects a balance of Kshs.296,972,400 resulting to a variance of Kshs.54,262,381 which was not been explained or reconciled.

In the circumstances, the accuracy and validity of the cash and cash equivalents balance of Kshs.296,972,400 as at 30 June, 2021 cannot be confirmed.

2. Unsupported Prior Year Adjustment

The statement of financial assets and Note 7 to the financial statements reflects prior year adjustment balance of Kshs.16,244,664 as at 30 June, 2021 indicated to be an adjustment of the misstatement in the financial statements for 2019/2020. However, the details of the misstatement and the supporting documentation in respect of the adjustment were not provided for audit review. Further, the statement of cashflows also reflects prior year adjustment of Kshs.16,244,664 which has neither been explained or supported.

Consequently, the accuracy of the financial statements as at 30 June, 2021 could not be confirmed.

3. Amounts Withdrawn and Not Claimed

According to The National Treasury's special accounts, the amounts withdrawn but not claimed in respect to the Project amounted to EUR19,822,470.32 as at 30 June, 2021 which is indicated as amounts transferred to the local project bank account but whose expenditure returns had not been submitted to The National Treasury as at 30 June, 2021. However, the financial statements together with the records maintained by the Project management does not indicate the amounts withdrawn and not claimed.

Consequently, the accuracy of the financial statements for the year ended 30 June, 2021 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kisumu Urban Project (Project Advance Account) 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. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Budget Performance and Lack of Approved Budget

The statement of receipts and payments reflects total payments figure of Kshs.531,951,971. However, according to the statement of comparative budget and actual amounts, the expenses were not budgeted for during the year under review and no reason was provided for incurring expenditure without an approved budget and annual work plan as required, as indicated below:

Payments	Final Budget Kshs.	Actual Expenditure Kshs.	Over Kshs.
Purchase of goods and services	0	241,359,653	241,359,653
Acquisition of non-financial assets	0	290,592,318	290,592,318
Total	0	531,951,971	531,951,971

Although, the Project did not record any receipts during the year under review, no budget adjustment and approval was done to allow utilization of the brought forward cash and cash equivalents balance of Kshs.822,287,913.

The expenditure for the year amounting to Kshs.531,951,971 was therefore unauthorized.

Other Information

The Management are responsible for the other information, which comprises project information and overall performance, the statement of performance against project pre-determined objectives, statement of corporate social responsibility and the statement of management' responsibilities. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

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 matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non- Registration of Heavy-Duty Refuse Compactor

The purchase of goods and services figure of Kshs.241,359,653 includes supplies amount of Kshs.57,392,964, which in turn includes Kshs.48,990,000 paid in respect of purchase of heavy duty refuse compactor equipment in July, 2020. However, ownership documents in respect of the machine were not provided for audit verification. In addition, the equipment does not have a registration number and is not recorded in the assets register.

In the circumstances, the ownership and tracking of the equipment be ascertained.

2. Upgrade of Otonglo Market

The acquisition of non-financial assets figure of Kshs.290,592,318 includes two payments totalling Kshs.29,151,034.75 made to a contractor for the upgrade of Otonglo market in respect of contract agreement number CCK/KUPW/4/2018/037 dated 30 December, 2020 for a contract sum of Ksh.79,468,296. According to the contract, the

works were expected to be completed by 30 October 2021. However, at the time of audit in October, 2021, the project was at a completion level of 75% as per the progress report. Further, the performance Security provided by the contractor from Sidian Bank had expired on 13 July, 2021 and there was no evidence that the same had been extended.

Physical verification of the project in October, 2021 revealed that although the contractor was still on site, the works were far from completion. The contractor attributed the delay to the Kenya Railways Corporation demolition Company's construction site and extreme weather conditions. However, there was no evidence that the contractor had requested for extension of the completion date.

Under the circumstances, there is likelihood of project delivery delays which may impact on project costs.

3. Proposed Completion of Low Volume Access Roads- (Kemri-Otonglo-Tiengere-Rota Road)

The acquisition of non-financial assets figure of Kshs.290,592,318 includes two payments totalling Kshs.18,257,954.17 paid to a contractor in respect of completion of 5.5 kilometres of low volume access roads (Kemri-Otonglo-Tiengere-Rota road) at a contract sum of Ksh.63,687,970. The contract duration was eight (8) months with effect from 7 December, 2018 to 7 August, 2019. As at the time of audit in October 2021, the project was indicated to be at 60% completion based on the status report project of July, 2021.

Physical verification of the project in October, 2021 revealed that the contractor was not on site and the project was still incomplete due to what was said to be failure of the concrete beams to meet the tests carried out. The Management did not provide explanation on the action being taken to have the project completed. The contractor requested for extension of the contract period to 31 December, 2019 through letter reference number KUP/LOWVOLUME140819(1) dated 10 August, 2019. However, there was no evidence that the request was accepted.

Further, the performance security bond that the contractor provided from M/s Rafiki Microfinance Bank was valid up to 28 July, 2019 and there was no evidence provided to show that the contractor renewed the bond. In addition, the mandatory of the risk insurance expired on 27 January, 2020 and there was no evidence of renewal.

In the circumstances, value for money in respect of Kshs.18,257,954 paid towards the project was not achieved.

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, except for the matters described in the Basis for Qualified Opinion section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Financing Agreement, I report based on my audit, that:

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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

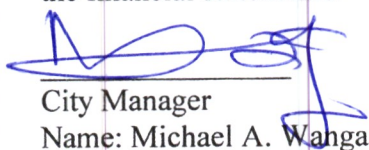
24 December, 2021

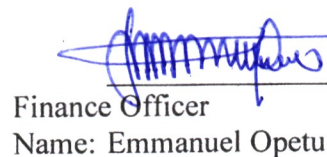
*Kisumu Urban Project
Reports and Financial Statements
For the financial year ended June 30, 2021*

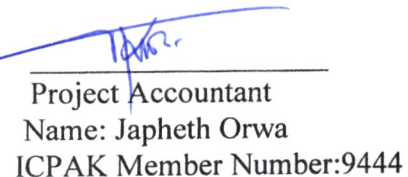
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2020/21		2019/20		Cumulative to-date
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
RECEIPTS						
Transfer from State Department of Housing and Urban Development	1	0	0	805,926,100	0	3,203,712,465
TOTAL RECEIPTS		0	0	805,926,100	0	3,203,712,465
PAYMENTS						
Purchase of goods and services	2	241,359,653		326,261,877	0	1,032,495,464
Transfers to CEF	3	0		4,298,753		44,080,640
Acquisition of non-financial assets	4	290,592,318		301,141,525		1,531,168,185
Refund of performance bond						10,851,362
TOTAL PAYMENTS		531,951,971		631,702,155		2,618,595,651
SURPLUS/(DEFICIT)		(531,951,971)		174,223,945		585,116,814

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


City Manager
Name: Michael A. Wanga


Finance Officer
Name: Emmanuel Opetu

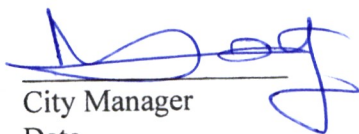

Project Accountant
Name: Japheth Orwa
ICPAK Member Number:9444

*Kisumu Urban Project
Reports and Financial Statements
For the financial year ended June 30, 2021*

7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

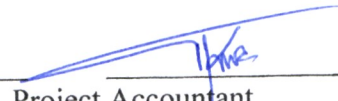
	Note	2020/21	2019/20
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	5	296,972,400	822,287,913
Cash Equivalents (short-term deposits)			
Total Cash and Cash Equivalents		296,972,400	822,287,913
Accounts receivables – Imprest and Advances	6	0	1,305,786
TOTAL FINANCIAL ASSETS		296,972,400	823,593,699
REPRESENTED BY			
Fund balance b/fwd		845,169,035	670,945,090
Prior year Adjustment	7	(16,244,664)	
Surplus/(Deficit) for the year		(531,951,971)	174,223,945
NET FINANCIAL POSITION		296,972,400	845,169,035

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 10/07/2021 and signed by:



City Manager
Date

Finance Officer
Date



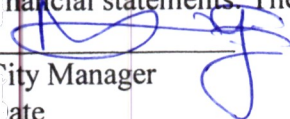
Project Accountant
Date
ICPAK Member Number: 9444

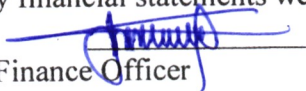
*Kisumu Urban Project
 Reports and Financial Statements
 For the financial year ended June 30, 2021*

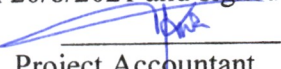
STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2021

		2020/21	2019/20
	Note	KShs	KShs
Receipts for operating activities			
Transfer from Government entities	1	0.	805,926,100
Total Receipts		0	805,926,100
Payments for operating activities			
Purchase of goods and services	2	241,359,653	326,261,877
Social security benefits			
Transfers to CEF	3	0	4,298,753
Acquisition of Non-Financial Assets	4	290,592,318	301,141,525
Total Payments		531,951,971	631,702,155
Net cash flow from operating activities		(531,951,971)	174,223,945
CASHFLOW FROM INVESTING ACTIVITIES			
Increase/Decrease in other receivables		1,305,786	
Net cash flows from Investing Activities			
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings			
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		-530,646,185	174,223,945
Adjusted Cash and cash equivalent at BEGINNING of the year		898,125,630	723,901,685
Prior year adjustment		-16,244,664	
Cash and cash equivalent at END of the year		351,234,781	898,125,630

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 20/8/2021 and signed by:


 City Manager
 Date

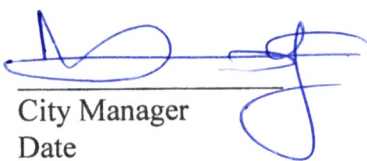

 Finance Officer
 Date


 Project Accountant
 Date
 ICPAK Member No: 9444

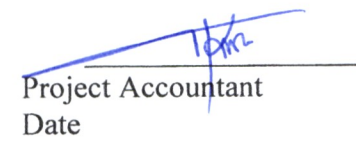
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government.	-	-	-	-	-	0%
Total Receipts	-	-	-	-	-	0%
Payments						
Purchase of goods and services	-	-	-	241,359,653	(241,359,653.)	
Acquisition of non-financial assets	-	-	-	290,592,318	(290,592,318)	
Transfers to CEF	-	-	-	-	-	
Total Payments	-	-	-	531,951,971	-531,951,971	

Note: The significant budget utilisation/performance differences in the last column are explained in **Annex 1** to these financial statements.


 City Manager
 Date


 Finance Officer
 Date


 Project Accountant
 Date
 ICPAK Member No:9444

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

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

10.1 Basis of Preparation

10.2 Statement of compliance and basis of preparation

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

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

10.3 Reporting entity

The financial statements are for the Project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.3.1 Reporting currency

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

10.4 Significant Accounting Policies

a) Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

b) Donations and grants

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

c) **Proceeds from borrowing**

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

d) **Undrawn external assistance**

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

e) **Recognition of payments**

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

i) **Compensation of employees**

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

ii) **Use of goods and services**

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

f) In-kind donations

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

g) Cash and cash equivalents

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

account balances include amounts held at the 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.

Restriction on cash

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

h) Accounts receivable

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

i) Contingent Liabilities

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. The **Annex** of this financial statement is a register of the contingent liabilities in the year.

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

j) Contingent Assets

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

k) Pending bills

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

l) Budget

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

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

m) Third party payments

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

n) Exchange rate differences

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

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year

q) Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

11. NOTES TO THE FINANCIAL STATEMENTS

1 RECEIPTS FROM GOVERNMENT OF KENYA

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

	2020/21	2019/20	Cumulative
	KShs	KShs	to-date
<i>Counterpart funding through Ministry</i>			
Grants from the Ministry	0.00	805,926,100	3,203,712,465
	<u>0.00</u>	<u>805,926,100</u>	<u>3,203,712,465</u>
<i>Other transfers from government entities</i>			
Total	<u>0.00</u>	<u>805,926,100</u>	<u>3,203,172,465</u>

Kisumu Urban Project
Reports and Financial Statements
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2 PURCHASE OF GOODS AND SERVICES

Administration

Date	Description	Chq No	2020/2021	2019/2020
24/7/2020	Japheth Orwa-Allowances for Technical cttee on LPDP	630	231,000.00	
30/7/2020	Bank charges		672.51	
11/8/2020	Mills view Hotel-cost of AFD Virtual mission	633	162,155.15	
25/9/2020	Celestine Atieno-Allowances to technical cttee on LPDP	642	327,000.00	
30/08/2020	Bank charges		3,252.00	
14/9/2020	Kiwasco-KUP Office water bill	653	7,129.30	
14/9/2020	Safaricom-KUP office accrued internet bill	654	2,911.00	
14/9/2020	KPLC-KUP office electricity bill	655	12,281.70	
15/9/2020	Kiwasco-KUP Office water bill	657	2,349.30	
30/09/2020	Bank charges		9,440.40	
30/10/2020	Bank charges		3,852.00	
2/11/2020	Japheth O Orwa-Facilitation of auditors for KUP FY 2019/2020 Audit	672	75,000.00	
5/11/2020	Safaricom ltd-Payment for KUP office internet for six months	682	42,912.00	
12/11/2020	Japheth Orwa-Payment for per diem and transport for Nairobi	683	26,400.00	
30/11/2020	Bank charges		6,454.00	
1/12/2020	Japheth Orwa-Facilitation of the audit of PAA KUP 2019 PWC	694	37,500.00	
31/12/2020	Bank charges		6,770.70	
21/01/2021	Safaricom-KUP office accrued internet bill	716	42,912.00	
30/1/2021	Bank charges		1,452.00	
8/2/2021	Japheth Orwa-per diem to Nairobi	733	63,000.00	
30/3/2021	Bank charges		2,052.00	
26/4/2021	Japheth Orwa-UDD mission to KUP	763	374,500.00	
30/4/2021	Bank charges		3,540.00	
30/5/2021	Bank charges		852	
8/6/2021	Kiwasco-Water bill	778	3,170.70	
29/6/2021	Sunix Insurance Agencies-Insurance of KUP Vehicles	786	3,040,539.00	
30/6/2021	Bank charges		2,350.00	
	Total		4,491,448	1,996,817

Kisumu Urban Project
Reports and Financial Statements
For the financial year ended June 30, 2021

Consultancy

Date	Description	Chq No	2020/2021	2019/2020
4/9/2020	SAS Group Huite-Payment on the preparation of LPDP.	647	6,274,827.00	
14/9/2020	Diaspora Design Builders-	651	410,040.90	
22/9/2020	Group Huite-Payment for preparation of physical development plan	663	49,289,079.51	
13/11/2020	Scenario Architects and interior designers-Payment for development construction of Otonglo market	687	3,671,052.70	
18/11/2020	SOFRECO-Payment for technical assistance offered under consultancy agreement	689	16,366,721.44	
24/11/2020	Domestic Taxes Department-Diaspora	690	12,949.00	
11/12/2020	Itec Engineering-Payment for consultancy services design and supervision of gravel roads	701	766,650.00	
11/12/2020	Edon consultants-Payment for consultancy services- design and supervision of health centers	702	765,521.40	
16/12/2020	Domestic taxes department-Scenario	704	390,490.00	
11/1/2021	PwC-PAA audit Jan-June 2019	710	3,639,233.40	
14/01/2021	Domestic taxes department-Group Huite	712	7,055,412.00	
14/01/2021	Domestic taxes department-Group Huite	713	9,035,080.00	
14/01/2021	Domestic taxes department-Group Huite	714	1,254,966.00	
19/01/2021	Domestic taxes department-Itec	715	40,350.00	
19/01/2021	Domestic taxes department-Edon	715	40,291.00	
26/01/2021	Domestic Taxes Department-Sofreco	718	4,091,681.00	
27/01/2021	SOFRECO-Payment for technical assistance offered under consultancy agreement	721	9,171,937.86	
4/2/2021	Africa waste and environment mngt center-RAP Studies	727	999,800.00	
2/3/2021	Domestic taxes department-Group Huite	745	36,203,530.00	
30/3/2021	Domestic taxes department-Sofreco	751	2,108,309.00	
30/3/2021	Domestic taxes department-PwC	752	191,539.00	
30/3/2021	Domestic taxes department-Africa Waste	752	52,200.00	
6/4/2021	Scenario Architect-design and supervision of Otonglo market	753	1,044,003.30	
6/5/2021	Domestic taxes department-Scenario	768	54,948.00	
8/6/2021	Edon Consultants-design and supervision of health centers	777	1,900,000.00	
	Total		154,830,613	269,967,818

Kisumu Urban Project
Reports and Financial Statements
For the financial year ended June 30, 2021

Services

Date	Description	Chq No	2020/2021	2019/2020
1/9/2020	Auto extreme-repair and body painting of KUP vehicles	645	1,358,672.00	
7/10/2020	Eunimat Investment-Payment of provision of services during official launch of social center	669	2,796,266.65	
21/10/2020	Destiny world travel-Payment for air ticket for guest invited during launch of Kisumu social center	670	268,230.00	
4/11/2020	Erickson Otieno Obonyo-Payment for data entry clerk into KUP FMS for 2 months feb & march 2020	676	60,000.00	
4/11/2020	Dan Ochieng Okech-Payment for data entry for 2 months feb to march 2020	677	60,000.00	
4/11/2020	Deline Tabitha Akinyi-Payment for data entry clerk into KUP FMS for 2 months feb & march 2020	678	60,000.00	
4/11/2020	Shevana Enterprises-Payment for construction of relocation site of Otonglo market Cok/KUP/01/2020	679	3,375,261.55	
4/11/2020	Ciala resort-Payment for provision of VIP buffet luncheon for 150 PAX on 9th oct 2020 @350	681	515,789.50	
12/11/2020	Sunix Insurance Agency-Payment for provision of Insurance cover for heavy duty refuse contractor	684	1,420,091.00	
24/11/2020	Commissioner of domestic tax-Auto extreme	692	24,262.00	
24/11/2020	Commissioner of domestic tax-Eunimatt	693	49,934.00	
7/12/2020	Prisadaw Enterprises	697	2,746,393.00	
29/01/2021	Shevana Enterprises-Payment for construction of relocation site of Otonglo market COK/KUP/01/2020	726	1,160,760.50	
4/2/2021	Bralens Agencies limited-event organizer during the launch of Otonglo market	728	1,596,950.00	
4/2/2021	Gyavira enterprises limited-event organizer during AFD mission	729	396,910.00	
12/2/2021	Domestic taxes department-Shevanna	734	152,289.00	
12/2/2021	Domestic taxes department-Shevana	734	95,126.00	
19/2/2021	Gyevira enterprises ltd-event organizer for launch of Dunga streetlighting	741	815,689.65	

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30/3/2021	Domestic taxes department-Bralens	752	84,050.00	
30/3/2021	Domestic taxes department-Gyavira	752	20,890.00	
6/4/2021	Erickson Obonyo-FMS data entry for March 2021	754	45,000.00	
6/4/2021	Ezra Ouko-FMS data entry for March 2021	755	45,000.00	
6/4/2021	Dan Ochieng-FMS data entry for March 2021	756	45,000.00	
9/4/2021	APT Fortune Ltd-branding of KUP equipment	757	2,395,730.00	
26/4/2021	APT Fortune Ltd-General service and replacement of worn-out parts of KUP ICT equipment	764	1,115,775.00	
26/4/2021	Asandoyu investments ltd-general service and replacement of worn-out parts of KUP ICT equipment	767	1,299,809.00	
6/5/2021	Domestic taxes department-Gyavira	769	14,563.00	
19/5/2021	Ezra Ouko-FMS data entry for April 2021	771	45,000.00	
19/5/2021	Dan Ochieng-FMS data entry for April 2021	772	45,000.00	
19/5/2021	Erickson Obonyo-FMS data entry for April 2021	773	45,000.00	
23/6/2021	Erickson Obonyo-Data entry clerks' payment for May 2021	782	45,000.00	
23/6/2021	Ezra Ouko-Data entry clerks' payment for May 2021	783	45,000.00	
23/6/2021	Dan Okech-Data entry clerks' payment for May 2021	784	45,000.00	
	Total		22,288,442.00	29,171,843.00

Supplies

Date	Description	Chq No	2020/2021	2019/2020
2/7/2020	Achelis Material Handlers-Supply of Refuse Compactor		48,990,000.00	
6/10/2020	Helgie Truck and Equipment-Payment for provision of services during official launch of social center	668	3,654,736.80	
24/11/2020	Commissioner of domestic tax-Helgie Trucks	691	65,264.00	
8/12/2020	Nyolas Enterprises-Refund for over deducted tax on supply of solid waste mngt equipment	698	291,000.00	
16/2/2021	APT Fortune ltd-payment for supply of stationery to KUP and CoK	739	2,344,896.55	
10/3/2021	Prisadam Enterprises-supply of ICT equipment	746	2,003,685.00	
6/5/2021	Domestic taxes department-APT Fortune	769	43,382.00	
	Total		57,392,964.00	18,673,129.00

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Capacity Building

Date	Description	Chq No	2020/2021	2019/2020
14/9/2020	ICPAK-IFRS seminar fees	652	45,000.00	
4/11/2020	Japheth O Orwa-Facilitation of auditors for march 2020 for 9 months	680	40,000.00	
15/3/2021	Japheth Orwa-quick book license (Jan-May 2021)	747	20,000.00	
19/4/2021	Japheth Orwa-quick book license (June-Dec 2021)	758	28,000.00	
26/4/2021	Michael Abala Wanga-Facilitation to attend ESAMI training in Arusha, Tanzania	760	478,286.00	
26/4/2021	Hesbon Hongo-Facilitation to attend ESAMI training in Arusha	761	615,231.00	
26/4/2021	ESAMI-training fee for Michael Wanga, Hesbon Owuor and Japheth Orwa	762	463,837.50	
7/5/2021	Japheth Orwa-Facilitation to attend ESAMI training in Arusha, Tanzania	770	478,286.00	
27/5/2021	Destiny World Travel Ltd-cost of return air ticket for Mr. Abala and Hongo from Arusha, Tanzania	775	67,040.00	
8/6/2021	Hesborn Hongo-Additional claims on travelling to Arusha	776	31,500.00	
8/6/2021	Destiny world travel-cost of reservation for CM and Mr. Hongo	779	29,000.00	
15/6/2021	Michael Abala Wanga-additional claims on travelling to Arusha	780	34,212.60	
15/6/2021	Japheth Orwa-Additional claims on travelling to Arusha	781	25,792.60	
	Total		2,356,186.00	6,452,271.00

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3 TRANSFERS TO CEF

There were no transfers to CEF during the period under review. In the previous year, the management transferred KShs 4,298,753 from PAA to CEF with prior No objection from AFD.

4 ACQUISITION OF NON-FINANCIAL ASSETS

Date	Description	Chq No	2020/2021	2019/2020
5/8/2020	Glean steam engineering works ltd-car wash Sije road IPC 8	631	11,243,453.05	
6/8/2020	Watiti construction ltd-Kisumu social Hall-IPC 9	632	3,071,362.40	
14/8/2020	Janam Construction ltd-supply of materials for KUP office renovation	635	92,600.00	
14/8/2020	Jeremaih Apunda-Labour for KUP Office renovation	639	93,844.10	
14/8/2020	Victoria Enterprises-supply of materials for KUP Office Renovation	640	175,526.00	
14/8/2020	Mbig ltd-payment for Kaloleni Estate roads	641	3,525,868.75	
26/9/2020	Glean steam engineering works ltd-car wash Sije road IPC 8	644	4,677,781.25	
4/9/2020	In depth Construction-Payment for Family Planning Naselica Road	646	597,514.75	
15/9/2020	Domestic taxes department-SBI	659	556,178.00	
15/9/2020	Domestic taxes department-Glean steam	659	387,706.00	
15/9/2020	Domestic Taxes Department-Watiti	659	94,991.00	
15/9/2020	Domestic Taxes Department-Mbig	659	109,048.00	
15/9/2020	Domestic taxes department-Glean steam	660	179,979.00	
15/9/2020	Domestic taxes department-Glean steam	661	268,255.00	
28/9/2020	Ascoda General Contractors-Payment for construction of Nyamasaria Road	664	5,702,521.20	
1/10/2020	Waititi Construction-Payment for rehabilitation and extension of Kisumu social center IPC No.10	665	9,652,440.20	
1/10/2020	Glenn Steam Engineering Works-Payment for construction of carwash Sije road	666	5,702,920.55	

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27/10/2020	Chaju Builder-Payment for extension of Lumumba Health Centre IPC No.7	671	28,051,852.90	
2/11/2020	Ascoda General Contractors-Payment for construction at NRB Road Nyamasaria sch sije Road cck/Kup/3/2014	674	11,095,831.45	
2/11/2020	Glean steam Engineering-Payment of construction for Sije Road	675	8,046,522.50	
13/11/2020	SBI International Holdings-Advance payment for construction of impala-dunga nanga fiveways road 1pc-10(installation of street light)	685	8,140,142.25	
13/11/2020	Damtech Enterprises Ltd-Payment of 1pc No.3 for the completion of how	688	9,676,346.12	
24/11/2020	Domestic taxes department-Ascoda	690	196,639.00	
24/11/2020	Domestic taxes department-Glean steam	690	196,653.00	
24/11/2020	Domestic Taxes Department-In depth	690	20,604.00	
24/11/2020	Domestic Taxes Department-Watiti	690	332,843.00	
7/12/2020	Ascoda General Contractors-Payment for the construction of NRB road nyamasaria to KFW pri school	695	2,758,648.25	
7/12/2020	Glennsteam Engineering-Payment for construction of car-wash sije road ipc no.12	696	3,494,943.85	
	Indepth Construction Company-Payment for construction of family Naselica Road	703	1,902,572.98	
16/12/2020	Domestic taxes department-Chaju builders	704	867,584.00	
16/12/2020	Domestic taxes department-SBI	704	251,757.00	
16/12/2020	Domestic taxes department-Damtech	704	333,771.00	
16/12/2020	Domestic taxes department-Ascoda	704	193,214.00	
16/12/2020	Domestic taxes department-Glean steam	704	277,467.00	
22/12/2020	Ascoda General Contractors-Refund on withheld tax on construction of Nyamasaria road	705	228,356.25	
22/12/2020	Esiko Kenya Enterprise-Payment for construction of Otonglo Prison Auji Road Contract No. CCK/KUP/00/3 2014/2049	707	2,551,463.35	
22/12/2020	Ascoda General Constructor-Payment for construction of Nairobi road- Nyamasaria KFW Primary school IPC No.12	708	4,635,611.61	
11/1/2021	Glean steam Engineering-Payment of construction for Sije Road	709	6,026,040.70	
19/01/2021	Domestic taxes department-Glean steam	715	120,516.00	
19/01/2021	Domestic taxes department-Ascoda	715	451,614.00	

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19/01/2021	Domestic Taxes Department-In depth	715	65,605.00	
19/01/2021	Domestic taxes department-Esiko	715	79,092.00	
19/01/2021	Domestic taxes department-Glean steam	715	356,488.00	
27/01/2021	Sanabil General Suppliers-Advance payment on the construction of Otonglo market	722	15,098,976.20	
29/01/2021	Philcors classic Engineering-supply of furniture to Rota Primary school	723	2,248,875.00	
29/01/2021	Philcors classic Engineering-supply of furniture to Rota Primary school	724	2,248,875.00	
29/01/2021	Damtech Enterprises Ltd-Payment of 1pc No.4 for the completion of how	725	8,581,608.05	
8/2/2021	SBI International-Dunga Road	732	38,229,297.65	
12/2/2021	Domestic taxes department-Damtech	734	295,918.00	
12/2/2021	Domestic taxes department-Ascoda	734	167,773.00	
12/2/2021	Domestic taxes department-Glean steam	734	6,300.00	
15/2/2021	Ascoda General Contractors-Nrb-Nyamasaria road	736	4,026,800.70	
15/2/2021	Guumba contractors-rehabilitation of Got Nyabondo Primary school (Release of final retention)	737	2,112,108.40	
15/2/2021	Comacon ltd-rehabilitation of Rweya Primary school	738	2,704,544.30	
16/2/2021	Watiti construction ltd-Rehabilitation of Kisumu social center	740	5,856,779.45	
25/2/2021	Guumba contractors-rehabilitation of Got Nyabondo Primary school	742	2,593,302.85	
16/3/2021	Ascoda General Contractors-Refund of over deducted tax-Nairobi-Nyamasaria rd	748	298,468.90	
23/3/2021	Sanabil General Suppliers-Payment on the Construction of otonglo market-IPC 2	749	14,052,058.55	
30/3/2021	Domestic taxes department-Ascoda	751	138,856.00	
30/3/2021	Domestic taxes department-Sanabil	752	794,683.00	
30/3/2021	Domestic Taxes Department-Watiti	752	181,138.00	
30/3/2021	Domestic taxes department-Comacon	752	83,646.00	
30/3/2021	Domestic taxes department-SBI	752	1,268,762.00	
19/4/2021	Chaju Builders-Payment on extension of Lumumba health center phase I.	759	12,959,321.25	
6/5/2021	Domestic taxes department-Guumba Contractors	768	80,205.00	
6/5/2021	Domestic taxes department-Guumba	768	65,324.00	

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	Contractors			
6/5/2021	Domestic taxes department-Sanabil Gen Suppliers	768	508,307.00	
26/5/2021	Ascoda General Contractors-release of the first 50% of moiety funds	774	6,218,052.10	
29/6/2021	Chaju Builders-Advanced payment for the extension of Lumumba health C.(Phase II).	785	33,288,169.05	
	Total		290,592,318	301,141,525

5 CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2020/21	2019/20
	KShs	KShs
Bank accounts	296,972,399.64	822,287,913.00
Cash in hand		
Cash equivalents (short-term deposits) (Note 8.13C)		
Total	296,972,399.64	822,287,913.00

Project Bank Accounts

	2020/21	2019/20
	KShs	KShs
Local Currency Accounts		
Central Bank of Kenya [A/c No.....]		
Kenya Commercial Bank [A/c No.....]		
Co-operative Bank of Kenya [A/c No.....]		
Others-Diamond Trust Bank Account No 0075090002	333,345,783.69	845,949,281.37
Total local currency balances	333,345,783.69	845,949,281.37
Total bank account balances	333,345,783.69	845,949,281.37

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6 ACCOUNTS RECEIVABLES

Description	2020-2021	2019-2020
	Kshs	Kshs
Government Imprests	0	1,305,786
Salary advances		
Total	0	1,305,786

7. PRIOR YEAR ADJUSTMENTS

	2020/201	2019/20
		KShs
Prior year Adjustment	(16,244,664)	0
Total	(16,244,664)	0

The prior year adjustments arose from the statement of financial assets for year 2019-2020 which differed with the net financial position balance in bank balance item and the difference adjusted in the subsequent year for 2020-2021

8. CHANGES IN RECEIVABLE

Description of the error	2020-2021	2019-2020
	KShs	KShs
Opening Receivables as at 1 st July 2020	1,305,786	0
Closing account receivables as at 30 th June 2021	0	0
Change in Receivables	1,305,786	0

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13. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
1.1	The statement of financial assets reflects a balance of 823,593,699 which differs with the net financial position balance of KShs 845,169,035 by KShs 21,575,336.	Difference arose due to manual preparation of financial statements. Reconciliation prepared.	City Finance Officer and KUP Accountant (Emmanuel and Japheth)	Not Resolved	Resolved
1.1.1	Fund Balance-The statement of financial assets reflects an aggregate fund balance of KShs 670,945,090 as detailed in Note 9.10 to the financial statements. However, summation of the account balances included in Note 9.10 yields a sum of KShs 823,593,699 resulting to a difference of KShs 152,648,609 which has not been explained.	Difference arose due to manual preparation of financial statements	City Finance Officer and KUP Accountant (Emmanuel and Japheth)	Resolved	Resolved
1.2.1	Transfers from Department of Housing and Urban Development-The statements of receipts and payments reflects transfers from the department of Housing and Urban Development of KShs 805,926,100 as detailed in Note 9.3 of the financial statements. However, the special accounts statement of the Kisumu Urban Project report reflects a transfer of	Project accounts for the actual cash received from the line Ministry.	City Manager-Michael Abala.	Not Resolved	Dec,2021

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Project report reflects a transfer of EUR 7,000,000 equivalent to KShs 806,206,400 resulting to a difference of KShs 280,300 which management has not explained.				
1.2.2	<p>Cumulative funding to date-the statement of receipts and payments reflects cumulative funding balance of KShs 2,658,509,300. However, the funding summary in Note 7 to the financial statements reflect funding of KShs 3,962,000,000 thus resulting to a difference of KShs 1,303,490,700 which management has not explained.</p> <p>Acquisition of Non-financial-Assets-The statement of receipts and payments reflects an acquisition of non-financial assets balance totalling to KShs 301,141,525 as detailed in Note 9.6 to the financial statements. However, summation of the amounts included in the balance yields sum of KShs 302,141,525 resulting to a variance of KShs 1,000,000 which however was not explained.</p>	<p>Difference arose due to manual preparation of financial statements. Actual statement of receipts received from the lender.</p>	<p>City Finance Officer and KUP Accountant (Emmanual and Japheth)</p>	Resolved	August 2021
1.2.3	Cash and cash equivalent-the statement reflects KShs 723,901,685 as cash and cash equivalent at the beginning of the				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.3.1	<p>year. which however varies from the comparative balance amounting to KShs 669,144,199 shown in Note 9.8 to the financial statements. The difference of KShs 54,757,486 has not been explained. In addition, the statement of cash flow reflects cash and cash equivalents at the end of the year totalling KShs 889,125,630 which varies with the account balance amounting to KShs 822,287,913 reflected in the statement of financial assets. The difference of KShs 75,837,717 between the two balances expected to tally has not been explained. Further, the increase in accounts receivable of KShs 1,022,986 has been omitted in the statement of cash flow.</p> <p>Refund of performance bond-The statement of cash flow reflects a comparative balance of KShs 10,851,362 under refund of performance bond. However, the balance was not reflected in the audited financial statements for the year ended 30 June 2019.</p>	<p><u>Difference arose due to casting error.</u></p>	<p>City Finance Officer and KUP Accountant (Emmanuel and Japheth).</p>	<p>Resolved</p>	<p>Resolved</p>
	<p>Fixed Assets Register-The fixed assets register at Annex 3 reflects assets valued at KShs 430,738,274 for the year ended 30 June 2020. However, summation of the amounts in the aggregate balance yield assts totalling to KShs 554,761,710 resulting to an</p>	<p>Difference arose due to preparation of financial statements annually</p>	<p>City Finance Officer and KUP Accountant (Emmanuel and Japheth).</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Auditor	Observations from	Management comments	Focal person to resolve the issue and designation	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.3.2		<p>unreconciled variance of KShs 124,023,436 which the management has not explained. Further, the register reflects additions of motor vehicles and motorcycles totalling KShs 13,166,198 and KShs 588,500 respectively, totalling to KShs 13,754,698 which balance however is not reflected as expenditure in the statement of receipts and payments for the year under review. Therefore, the expenditure reflected in the statements of receipts and payments are understated.</p> <p>In addition, the fixed asset register reflects cumulative closing assets totalling KShs 430,738,274 while the cumulative acquisition of non-financial assets reflected in the statement of receipts and payments amounts to 1,230,026,660 resulting to an unexplained variance of KShs 799,288,386 which suggests that the fixed register is not updated regularly.</p>		City Finance Officer and KUP Accountant (Emmanuel and Japheth)	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue and designation)	Point to the (Name)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.4						

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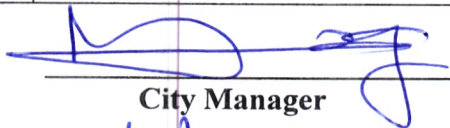
Reference No. on the external audit Report	Issue / Auditor	Observations from	Management comments	Focal Point to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe when expected
2		Presentation of financial statements-the statement of receipts and payments and statement of cashflows are labelled "for the period ended 30 th June 2020" instead of the year ended 30 th June 2020 to which they relate. As a result, the presentation of the accounting period under review is not correct.	It was an omission on the part of management and we regret the error. Subsequent financial statements have been headed correctly. However, the Annual Project Reporting Revised template 30/6/2020 uses the heading "for the period ended 30 June 2020"	KUP Accountant-Japheth Orwa and Finance Officer-Emmanuel Opetu.	Resolved	Resolved
1.0		Acquisition of Assets (1.1.1-1.1.6)	Some of the construction works have been completed and handed over, others are the Defect Liability Period (DLP)	Engineer-Moses Ogeda and Procurement Officer-Caren Olwero	Others Resolved, others pending	November, 2021
1.2		Renovation of Kisumu Urban Project-Examination of the payment records, in addition, indicated that KShs 1,608,157 was spent on purchase of materials and labour used in renovating the	It was an oversight on the part of management to produce the procurement records for audit	Procurement Officer-Caren Olwero	Not resolved, pending verification	November 2021.

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe when the issue is expected to be resolved
	Kisumu Urban Project offices. However, the procurement records and specifications for the works, issues and receipt vouchers were not availed for audit.	verification. The procurement records are available for audit inspection.			
1.3	Idle road sweeper tractor-the project purchased a road sweeper tractor at a cost of KShs 3,718,412 during the year. However, verification of the purchase in October 2020 revealed that the tractor was not put to use but was instead left idle at the City Works Unit yard.	Road sweeper is currently in active use.	City Manager- Michael Abala	Resolved	Resolved.
2.0	Outstanding imprests-the statement of financial assets reflects accounts receivable totalling KShs 1,305,786 being outstanding imprests and advances. However, a review of the financial documents presented for audit indicated that some of the imprests were issued in 2019. Failure to recover the imprests contravenes regulation 93(6) of the Public Financial Management (National Government) Regulations 2015 which requires the Accounting Officer to recover overdue imprests from the salary of the defaulting and charge interest at the prevailing Central Bank Rates. The schedule also indicated that some of the officers were issued with more than one imprest contrary to Regulation 93(4) which prohibits the issue of new imprests to	It was an omission on the part of management in granting multiple imprests and also to recover long outstanding imprests.	Finance Officer and KUP Accountant (Emmanuel Opetu and Japheth Orwa.	Resolved as all outstanding imprests have been surrendered.	Resolved.

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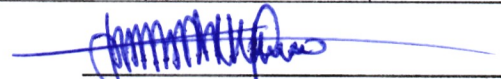
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue and designation)	Point to the (Name Resolved)	Status: (Resolve d / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	officers with outstanding imprest.					



City Manager

16/12/2021

Date



Finance Officer

16/12/2021

Date

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14.1-ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL

Receipts/Payments Item	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization	Comments
	a	b	C=a-b	d=b/a %	
Receipts					
Transfer from Government entities	-	-	-	-	There were no funds
Total Receipts	-	-	-	-	There we no funds
Payments					
Purchase of goods and services	-	241,359,653.00	(241,359,653.00)	0%	Financed by opening balance on July 2020
Acquisition of non-financial assets	-	290,592,318.00	(290,592,318.00)	0%	Financed by opening balance on July 2020
Transfers to CEF	-	-	-	0%	
Total Payments	0	531,951,971		0%	

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14.2-ANNEX 2 - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7. Achelis Material Handlers	48,990,000		48,990,000	48,990,000	0.00	Paid in full
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total	48,990,000		48,990,000	48,990,000	0.00	

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14.3-ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) 2020/21	*Purchases/Additions in the Year (KShs) 2020/21	**Disposals in the Year (KShs) 2020/21	Transfers in/(out) (KShs) 2020/21	Closing Cost (KShs) Jun-21
	(a)	(b)	(c)	(d)	(e) = (a) + (b) - (c) - (d)
Land					
Motor Vehicles	31,423,956.00	-			31,423,956.00
Office furniture and equipment	5,591,368.00	-			5,591,368.00
Motor cycles	3,217,500.00	-			3,217,500.00
Signposts	86,248.00	-			86,248.00
Plant and Machinery	50,889,255.00	48,990,000.00			99,879,255.00
ICT computers and equipment	1,820,800.00	2,003,685.00			3,824,485.00
Community Assets	461,732,583.00	290,592,318.00			752,324,901.00
	554,761,710.00	341,586,003.00			896,347,713.00

15-APPENDICES

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities**
- ii. Bank Reconciliations**
- iii. Cash Count Certificate**
- iv. Special Deposit Account(s) reconciliation statement(s)**



CGK/COK/CM/KUP/FIN/06/2021

5th July, 2021

The Branch Manager,
Diamond Trust Bank West End Mall
P.O Box 61711-00200
NAIROBI.


Dear Sir/Madam,

**RE: CERTIFICATE OF BANK BALANCE ON 30TH JUNE 2021-ACCOUNT No
0075090002-CITY OF KISUMU-AFD PROJECT ADVANCE ACCOUNT.**

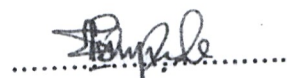
The above subject matters refer.

Kindly provide us with a certificate of bank balance as at the close of business on 30th June, 2021 on the above account.

Yours faithfully,


Michael Abala Wanga
Ag. City Manager


Emmanuel Opetu
Finance Officer


Wilson Abiero
Chief Officer, Finance.

Kisumu Urban Project
Reports and Financial Statements
For the financial year ended June 30, 2021

BANK RECONCILIATION STATEMENT FOR THE MONTH OF JUNE 2021

Bank statement balance			333,345,783.69
Add Unpresented cheques			
Date	Chq No	Payee	Amount
23/6/2021	782	Erickson	45,000.00
23/6/2021	783	Ezra	45,000.00
23/6/2021	784	Dan	45,000.00
26/9/2021	785	Chaju Buiders	33,288,169.05
26/9/2021	786	Sunix	3,040,539.00
		Cash book balance	36,463,708.05
31/6/2021			296,972,399.64

Prepared by: Project Accountant

Validated by: Project Administrator

Approved by: City Finance Officer

[Handwritten Signature]
[Handwritten Signature]
 30 JUN 2021
 SIGN: CITY FINANCE OFFICER

THE CITY MANAGER
COUNTY GOVERNMENT OF KISUMU
P. O. Box 105-40100
KISUMU

Dear Sirs,

BALANCE CONFIRMATION
CITY OF KISUMU-AFD PROJECT ADVANCE

We refer to your letter dated July 05, 2021 and hereunder provide the information required at June 30, 2021.

- a) Full Titles
City Of Kisumu-AFD Project Advance
- b) Balances of account:

Current account No. 0075090002

KShs. 333,345,783.69

CR

We hope the above information will meet your requirements.

Yours faithfully,



Anne Ng'ang'a
Authorized Signatory



Ignace Khaduli
Authorized Signatory

Kisumu Urban Project
Reports and Financial Statements
For the financial year ended June 30, 2021

AFD KISUMU URBAN PROJECT
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2021
PART B: ACCOUNT RECONCILIATION STATEMENT

PROJECT No. CKE 1035 01 G
 Bank Account No.00100527241211 Held with I & M Bank

	NOTES	AMOUNT EUR	AMOUNT EUR
1	Amount advanced by AFD		20,557,844.45
	Less		
2	Total amount justified to AFD		218,410.90
3	Outstanding amount advanced to Designated Account		20,339,433.55
	Represented by:		
4	Ending Designated Account Balance at 30.06.2021		516,963.23
5	Amount claimed but not credited at 30.06.2021		-
6	Amount withdrawn and not claimed as at 30.06.2021		19,822,470.32
7	Service charges (if not included in 5 & 6 above)		-
	Less		
8	Interest earning (if included in Designated Account)		-
9	Total advance to Designated Account year ended 30.06.2021		20,339,433.55

Discrepancy between total appearing on lines 3 and 9

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by AFD and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by AFD and shall be documented in subsequent IFRs/SOEs


 AUTHORIZED REPRESENTATIVE
 RESOURCE MOBILISATION DEPARTMENT
 THE NATIONAL TREASURY

DATE: 30.07.2021