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REPORT

OF

THE AUDITOR-GENERAL

ON

**KENYA SYMBIOCITY PROGRAMME -
PROJECT NO. SIDA 51110060**

**FOR THE YEAR ENDED
30 JUNE, 2022**

COUNCIL OF GOVERNORS

THE NATIONAL ASSEMBLY

DATE:

19 APR 2023

DAY
WEDNESDAY

SIGNED BY:

DEPUTY

MAJORITY
LEADER

CLERK-AT
THE-TABLE



COUNCIL OF GOVERNORS

PROJECT NAME: KENYA SYMBIOCITY PROGRAMME

IMPLEMENTING ENTITY: COUNCIL OF GOVERNORS

PROJECT GRANT/CREDIT NUMBER: 51110060

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2022

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



Kenya SymbioCity Programme
Annual Report and Financial Statements for the financial year ended 30 June 2022

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Kenya SymbioCity Programme
Annual Report and Financial Statements for the financial year ended 30 June 2022

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1. Project Information and Overall Performance

1.1 Name and registered office

Name: Kenya SymbioCity Programme

Objective: To build the capacity of urban development stakeholders to be able to guide Kenya Urban Development in a more sustainable direction.

Address: Council of Governors, Delta Building, 2nd Floor, P.O. Box 40401-00100, Nairobi County, Kenya.

Contacts: Telephone: +254 (020) 240 3313/4
Email Address: info@cog.go.ke
Website: www.cog.go.ke

Project information and overall performance (continued)

1.2 Project Information

Programme Start Date:	The project start date is 9/04/2015
Programme End Date:	The project end date is 30/06/2023
Programme Manager:	Plan. Nicodemus Mbwika
Programme Sponsor:	Embassy of Sweden

1.3 Project Overview

Line Ministry/State Department of the Programme	Ministry of Devolution
Project number	51110060
Strategic goals of the Programme	Inclusive, innovative, and sustainable urban development planning in Kenya.
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none">(i) Institutional Strengthening of the Council of Governors to be able to respond to Counties' Urban Planning, management and development needs.(ii) Application of the SymbioCity Approach in Seven Counties with subsequent infrastructural investment.(iii) Strengthening Intergovernmental Cooperation between the different Institutions supporting urban planning, management and development.(iv) Sharing experiences and lessons learnt from the Programme

Kenya SymbioCity Programme

Annual Report and Financial Statements for the financial year ended 30 June 2022

	among counties and urban development stakeholders.
Other important background information of the Programme	The Programme is being piloted in 7 counties; Kisumu, Nakuru, Kakamega, TransNzoia, Homabay, Kitui and Meru
Current situation that the Programme was formed to intervene	The Programme was designed to intervene in the following areas: (i) Poverty reduction in urban areas (ii) Building local capacity and ownership (iii) People-centred approaches to development (iv) Supporting leadership for sustainable urban development through targeting urban policy decision-makers (v) Participatory processes and community involvement (vi) Strengthening planning and urban management methodologies for improving coordination between urban sectors (vii) Focus on environmental, social and economic aspects of development (viii) Practical oriented solutions.
Project duration	The project started on 9 th April 2015 and is expected to run until 30 June 2023

Project Information and Overall Performance (Continued)

1.4 Bankers

The following are the bankers for the current year:

National Bank of Kenya
P.O. Box 16131-00610
Nairobi, Kenya

1.5 Auditors

Auditor-General
Anniversary Towers, University Way
P.O. Box 30084-00100
Nairobi, Kenya

1.6 Roles and Responsibilities

The following is the list of officers involved in the programme with their roles and responsibilities;

Names	Title designation	Key qualification	Responsibilities
Ms. Mary Mwiti	Chief Executive Officer	Msc. Human Resource Management, BA, HRM	Oversee the implementation of the programme
Plan. Nicodemus Mbwika	Project Manager	Masters in Project Management BA. Urban and Regional Planning Registered Physical Planner and Lead Expert in Environmental Impact	Project Management

Kenya SymbioCity Programme

Annual Report and Financial Statements for the financial year ended 30 June 2022

		Assessment	
CPA. Joyce Chepkoech	Principal Finance & Accounts Officer	Master's in Business Administration, Bachelor of Commerce(Finance & Banking), CPA (k)	Finance Management & reporting
CPA. James Gitau Maina	Project Accountant	Bachelor of Commerce (Finance & Accounting option), CPA(K)	Budgeting, Accounting and project reporting
Jerry Muma	Procurement Officer	Bachelors in Purchasing & Supplies, Diploma in Purchasing & Supplies, CIPS	Procurement Support

1.7 Funding summary

The Programme which runs from 2015 to 2023 has an approved budget of Swedish Kronor 25,466,693.00 equivalent to Kshs.289,646,353.00 as highlighted in the table below:

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Annual Report and Financial Statements for the financial year ended 30 June 2022

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30/06/2022)		Undrawn balance to date (30/06/2022)	
	SEK	KShs	SEK	KShs	Donor currency	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
Grant						
Embassy of Sweden	25,466,693	289,646,353	25,466,693	289,646,353	0.00	0.00
Total	25,466,693	289,646,353	25,466,693	289,646,353	0.00	0.00

Application of Funds

Source of funds	Amount received to date – (30 th June 2022)		Cumulative Amount paid to date–(30 th June 2022)		Unutilised balance to date (30 th June 2022)	
	Donor Currency SEK	KShs	Donor Currency SEK	KShs	Donor currency	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
Grant						
Embassy of Sweden	25,466,693	289,646,353	25,461,378	289,585,900	5,315	60,453
Total	25,466,693	289,646,353	25,461,378	289,585,900	5,315	60,453

Project information and overall performance (continued)

1.8 Summary of Overall Project Performance:

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

By end of the period, the overall Programme rate of expenditure was 100% with project implementation having come to an end and completed,

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

- Urban Sustainability reviews for the seven pilot counties developed and implemented
- Developed a tool kit for guiding urban planning in towns dubbed “Planning our Towns, Toolkit for Sustainable Urban Development.
- Developed the Place Making Guidelines, a guide for creating functional public spaces
- Seven integrated change projects funded under the seed fund successfully developed and implemented in the seven counties. These included storm water drains, markets, material recovery facilities, eco-parks, high flood masts and markets among others
- Documented the programme best practices to inform future programming and planning in Counties.

- iii) Comment on value-for-money achievements,

- The programme adopted the principles stipulated in the Public Procurement and Asset Disposal Act 2015 on value for money in the execution of activities.
- Institutional Strengthening of the Council of Governors to be able to respond to Counties’ Urban Planning, management and development needs in a one stop shop approach ensured value for money
- The application of the SymbioCity Approach in the seven pilot Counties whose principles include value for money ensured prudent use of resources
- Strengthening Intergovernmental Cooperation between the different Institutions supporting urban planning, management and development reduced the cost of litigations and therefore contributed to value for money .
- Sharing experiences and lessons learnt from the Programme among counties and urban development stakeholders.

- iv) Indicate the absorption rate for each year since the commencement of the project.

Financial Year	Expenditure
2016/2017	24,470,975.00
2017/2018	51,763,266.00
2018/2019	35,679,178.00
2019/2020	13,026,496.00
2020/2021	64,089,152.00
2021/2022	100,556,833.00
Total	289,585,900.00

- v) List the implementation challenges and recommended way forward.

Challenges

- Low appreciation of urban planning amongst top level policy makers in Kenya
- Limited financing for urban planning and development
- Lack of urban governance institutions in the pilot urban areas
- Insecurity of tenure in some urban areas impeding effective planning

Recommended Way forward

- Increased sensitization on the need for urban planning to top level policy makers in Kenya
- Lobbying for increased financing of urban areas
- Establishment and strengthening of urban governance institutions in Kenya
- Land registration especially in urban areas to increase security of tenure

1.9 Summary of Project Compliance:

During the period under review the project has complied to all the laws and regulation applicable,

2. 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 project’s agreement are to:

- Develop urban Sustainability reviews for the seven pilot counties
- Provide funding to seven quick win and seven integrated change projects under the seed fund
- Facilitate Phase two of the integrated change projects
- Documentation of the SymbioCity planning approach in Kenya and development of a toolkit for inclusive urban planning in Kenya.
- Dissemination of the toolkit done to all Kenyan Counties

Progress on attainment of Strategic development objectives

Project	Objective	Outcome	Indicator	Performance
Kenya Symbiocity Programme	Inclusive, innovative, and sustainable urban development planning in Kenya.	-Capacity of urban development stakeholders increased and holistic visions for towns developed based on a sound understanding for assets and challenges. -Investments for concrete change projects.	-Number of beneficiary towns with holistic visions - % of change projects fully implemented	All the seven pilot towns developed holistic visions with full participation of urban stakeholders -100% of the change fully implemented

3. Environmental and Sustainability Reporting

The Kenya Symbiocity Programme embraced sustainability right from the onset as summarized below.

1. Sustainability strategy and profile

The project design and rolled out undertook a deep stakeholder mapping and profiling to determine their level of influence and role in sustaining the interventions to be rolled out. There after the stakeholders were classified into three: Broader stakeholder group, working groups and the steering committees. The structures created within the pilot towns guide decisions making and prioritization of urban investments during public participation forums. Further the Kenya SymbioCity programme is anchored within the line urban development departments in Counties and has been integrated in the development frameworks of the counties and urban areas guaranteeing future financing post the programme period.

2. Environmental performance

One of the pillars of the SymbioCity approach is environmental sustainability. This principle was incorporated throughout the implementation period of the programme. All the urban sustainability reviews developed by the pilot towns incorporated environmental sustainability in their town visions. To implement this vision all the infrastructure investments in the pilot towns underwent environmental screening and those found to have environmental impacts were taken through Environmental Impact Assessments. This way the programme investments enhanced environmental performance

3. Employee welfare

The project human resource planning and management was anchored within the Council of Governors human resource policies which are gender sensitive. Throughout the programme period, the programme staff underwent annual and semi-annual appraisals. Further to enhance staff capacity the programme supports training including project management, financial management and procurement management.

4. Market place practices-

a) Responsible Supply chain and supplier relations-

The project procurements uses country systems including the public procurement and asset disposal act 2015. One of the principles of procurement in the act is fair competition which the programme implemented throughout.

b) Responsible ethical practices

The project has entered into contractual obligation with its suppliers, who are drawn from the local community and observe the 30% allocation to women, youth and persons with Disabilities.

5. Community Engagements

The project did not have any Community responsibility activities during the year under review.

4. Statement of Project Management Responsibilities

The Chief Executive Officer for the Council of Governors and the Project Manager for Kenya Symbiocity Programme are responsible for the preparation and presentation of the programme's financial statements, which should give a true and fair picture of the state of affairs of the programme for the financial year. This responsibility entails; (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 Chief Executive Officer for Council of Governors and the Project Manager for SymbioCity Programme accept responsibility for the Project's financial statements as advised by the head of accounting, 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 Chief Executive Officer for Council of Governors and the Project Manager for the SymbioCity Programme are of the opinion that the Project's financial statements give a true position of the state of the programme's transactions during the financial year ended 30 June 2022. The Chief Executive Officer for the Council of Governors and the Project Manager for SymbioCity Kenya Programme further confirm the completeness of the accounting records maintained for the programme, which have been relied upon in the preparation of the programme financial statements as well as the adequacy of the systems of internal financial control.

The Chief Executive Officer for the Council of Governors and the Project Manager SymbioCity Kenya Programme confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that programme 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 programme financial statements were approved by the Chief Executive Officer for the Council of Governors and the Project Manager SymbioCity Programme on the 8th September 2022 and signed by them.



.....
**Name: Mary Mwiti
Chief Executive Officer**



.....
**Name: Nicodemus Mbwika
Project Manager
RPP No. 0315**



.....
**Name: Joyce Chepkoech
Principal Finance &
Accounts Officer
ICPAK Member No:29569**

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KENYA SYMBIOCITY PROGRAMME - PROJECT NO. SIDA 51110060 FOR THE YEAR ENDED 30 JUNE, 2022 - COUNCIL OF GOVERNORS

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Symbiocity Programme set out on pages 1 to 24, which comprise of the statement of financial assets as at 30 June, 2022, and the statement of receipts and payments, statement of cash flow and statement of comparison budget and actual amounts for the year then ended, and the 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 Kenya Symbiocity Programme as at 30 June, 2022, 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 the Specific Agreement Programme Grant No.51110060 dated 9 April, 2015 between the Government of Sweden and the Government of the Republic of Kenya and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unverified Assets

Note 5 to the financial statements reflects acquisition of non-financial assets cumulative balance of Kshs.9,592,060 . However, analysis of the assets register reflected that fifteen (15) laptops and seven (7) projectors with a combined value of Kshs.1,444,100 held by the various County Governments and Project Programme Officers could not be physically verified during field inspection carried out in the month of October, 2022.

In the circumstances, the existence and ownership of the fixed assets totalling to Kshs.1,444,100 could not be confirmed .

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Irregular Procurement of Laptops and Printers

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an expenditure of Kshs.1,129,200 in respect to acquisition of non-financial assets which includes an amount of Kshs.969,200 which was incurred on purchase of laptops and printers. However, review of procurement documents revealed that two (2) bidders who did not pass the technical evaluation stage were allowed to proceed to the financial evaluation stage. Further, the winning bidder supplied laptops and printers whose specifications differed with the descriptions contained in the quotation.

In the circumstances, the regularity and value for money realized from the expenditure of Kshs.969,200 could not be confirmed.

2. Purchase of Goods and Services

The statement of receipts and payment and as disclosed in Note 4 to the financial statements reflects purchase of goods and services expenditure of Kshs.97,466,233. However, the following anomalies were noted in procurement:

2.1 Procurement of Consultancy Services

Review of the contract documents revealed that Kshs.199,800 was paid in respect of consultancy services for Environmental and Social Impact Assessment (ESIA) for the proposed Butere Multi-purpose Eco Park in Kakamega County. However, the procurement was undertaken through request for quotation instead of request for proposal method. Further, technical proposals submitted by bidders were not provided for audit to ascertain the validity of the award.

2.2 Procurement of Metal Containers for Market Stalls

Review of the contract documents revealed that an amount of Kshs.18,543,319 was paid for procurement of metal containers in Mbita - Homabay County. However, the approved budget for the works was Kshs.10,256,701 while the actual expenditure was Kshs.10,678,892 leading to an over expenditure of Kshs.422,191 of the approved budget. This is contrary to the provisions of Section 45(3a) of the Public Procurement and Asset Disposal Act, 2015. Further restricted tender method was used instead of open tender

method which was indicated in the procurement plan and the contractor failed to provide performance security. This is contrary to Section 142(1) and (3) of the Public Procurement and Asset Disposal Act, 2015 which states that a successful tenderer shall submit a performance security equivalent to not more than ten per cent of the contract amount before signing of the contract.

2.3 Procurement of Air Tickets

Included in domestic travel and subsistence expenditure of Kshs.6,272,730 is an amount of Kshs.541,030 which was paid for purchase of air tickets for various officers. However, the award was skewed in favour of a single service provider since there was no rotation of service providers despite the project having prequalified a total of twenty-nine (29) firms for the provision of air ticketing services. This is contrary to the provisions of Section 91(5) of the Public Procurement and Asset Disposal Regulations, 2020 which requires the rotation of service providers while sending request for quotations.

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

2.4 Irregular Purchase of Fuels and Lubricants

Review of the expenditure documents revealed that an amount of Kshs.375,000 was paid for purchase of fuels and lubricants. The fuel and lubricants were drawn from National Oil Corporation Kenya (NOCK) through fuel cards and payments were made in advance. However, the contract agreement between the National Oil Corporation of Kenya and the Council of Governors was not provided for audit review.

In the circumstances, the regularity and value for money realized from the expenditure of Kshs.375,000 could not be confirmed.

2.5 Construction of Modern Mixed - Use Integrated Market

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects purchase of goods and services expenditure of Kshs.97,466,233 which includes an amount of Kshs.77,541,491 in respect to Change Project - Consultancy which further includes an amount of Kshs.20,843,743 which was paid in respect of proposed construction of a modern mixed - use integrated market in Ontulili Town, Meru County (Phase 1). However, review of tender documents revealed that the Contractor had provided performance bond referenced OLG/PB/12/45961/10 of Kshs.2,045,671 dated 7 October, 2021 which was four (4) months after the receipt of letter of acceptance and over one (1) month after the signing of the contract. This is contrary to the provisions of Section 142(1) of the Public Procurement and Asset Disposal Act, 2015 which requires the performance security to be provided by the contractor before signing of the contract.

2.6 Construction of Drainage Works at Jewathu Settlement

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects purchase of goods and services expenditure of Kshs.97,466,233 which includes Change Project - Consultancy fees amounting to Kshs.77,541,491 which further includes an amount of Kshs.14,111,582 which was paid in respect to construction

of proposed drainage works at Jewathu settlement in Njoro Sub County, Nakuru County. However, review of the tender documents revealed an over expenditure of Kshs.1,706,901 since the approved annual procurement plan had a budget of Kshs.12,404,681 for the works.

This is contrary to the provisions of Section 45(3a) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that all procurement processes shall be within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an annual procurement plan

In the circumstances, Management was in breach of the procurement law

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 the Financing Agreement between the Government of Sweden and the Government of the Republic of Kenya, I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,

- iii. The Project's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls 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 Project's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to 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

06 December, 2022

**Kenya SymbioCity Programme
Annual Report and Financial Statements for the financial year ended 30 June 2022**

6. Statement of Receipts and Payments for The Year Ended 30 June 2022.

	Note	2021/2022		2020/2021		Cumulative to date (From inception)
		Receipts and payments controlled by the entity KShs	Payments made by third parties KShs	Receipts and payment controlled by the entity KShs	Payments made by third parties KShs	
RECEIPTS						
Proceeds from domestic and foreign grants	1	10,623,015	-	-	-	289,259,473
Miscellaneous receipts	2	370,000	-	-	-	386,880
TOTAL RECEIPTS		10,993,015	-	-	-	289,646,353
PAYMENTS						
Compensation of employees	3	1,961,400	-	6,742,350	-	44,856,932
Purchase of goods and services	4	97,466,233	-	57,346,802	-	235,136,908
Acquisition of non-financial assets	5	1,129,200	-	-	-	9,592,060
TOTAL PAYMENTS		100,556,833	-	64,089,152	-	289,585,900
SURPLUS/(DEFICIT)		(89,563,818)	-	(64,089,152)	-	60,453

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

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Name: Mary Mwiti
Chief Executive Officer

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Name: Nicodemus Mbwika
Project Manager
RPP No. 0315


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Name: Joyce Chepkoech
Principal Finance &
Accounts Officer
ICPAK Member No:29569


7. Statement of Financial Assets as at 30 June 2022

	Note	2021-2022	2020-2021
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	6	186,263	94,488,240
Cash Balances		-	-
TOTAL FINANCIAL ASSETS		186,263	94,488,240
FINANCIAL LIABILITIES			
Deposit and Retention Monies	7	125,810	4,863,969
NET ASSETS		60,453	89,624,271
REPRESENTED BY			
Fund balance b/fwd	8	89,624,271	153,713,423
Prior year adjustments		-	-
Surplus/(Deficit) for the year		(89,563,818)	(64,089,152)
Transfer to CoG, Devolution Conference support from MODA		-	-
Compensation of Employees, transferable to CoG		-	-
NET FINANCIAL POSITION		60,453	89,624,271

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 8th September 2022 and signed by:



 Name: Mary Mwiti
 Chief Executive Officer



 Name: Nicodemus Mbwika
 Project Manager
 RPP No. 0315




 Name: Joyce Chepkoech
 Principal Finance &
 Accounts Officer
 ICPAK Member No:29569

8. Statement of Cashflow for the Year Ended 30 June 2022

	Note	2021-2022 KShs	2020-2021 KShs
Cashflow from operating activities			
Receipts			
Proceeds from domestic and foreign grants	1	10,623,015	-
Miscellaneous receipts	2	370,000	-
Payments			
Compensation of employees	3	(1,961,400)	(6,742,350)
Purchase of goods and services	4	(97,466,233)	(57,346,802)
Adjustments during the year			
Decrease/(Increase) in Accounts receivable:(outstanding imprest)		-	-
Increase/(Decrease) in Accounts Payable: (deposits and retention)		(4,738,159)	4,863,969
Prior Year Adjustments		-	-
Net cash flow from operating activities		(93,172,777)	(59,225,183)
Cashflow from investing activities			
Acquisition of Assets	5	(1,129,200)	-
Net cash flows from Investing Activities		(1,129,200)	-
Cashflow from Financing activities			
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(94,301,977)	(59,225,183)
Cash and cash equivalent at beginning of the year		94,488,240	153,713,423
Cash and cash equivalent at end of the year		186,263	94,488,240

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 8th September 2022 and signed by:


.....

Name: Mary Mwiti
Chief Executive Officer


.....

Name: Nicodemus Mbwika
Project Manager
RPP No. 0315


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Name: Joyce Chepkoech
Principal Finance &
Accounts Officer
ICPAK Member No:29569

**Kenya SymbioCity Programme
Annual Report and Financial Statements for the financial year ended 30 June 2022**

9. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2022

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						
Proceeds from domestic and foreign grants	10,623,015	-	10,623,015	10,623,015	-	0%
Miscellaneous receipts	370,000	-	370,000	370,000	-	0%
Total Receipts	10,993,015	-	10,993,015	10,993,015	-	0%
Payments						
Compensation of employees	1,961,400	-	1,961,400	1,961,400	-	100%
Purchase of goods and services	97,526,686	-	97,526,686	97,526,686	-	100%
Social security benefits	-	-	-	-	-	0%
Acquisition of non-financial assets	1,129,200	-	1,129,200	1,129,200	-	0%
Transfers to other government entities	-	-	-	-	-	0%
Other grants and transfers	-	-	-	-	-	0%
Total Payments	100,617,286	-	100,617,286	100,617,286	-	100%

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


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Name: Mary Mwiti
Chief Executive Officer


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Name: Nicodemus Mbwika
Project Manager
RPP No. 0315


.....

Name: Joyce Chepkoech
Principal Finance & Accounts Officer
ICPAK Member No: 29569

10. Significant Accounting Policies

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

10.1 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.

10.2 Reporting entity

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

10.3 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 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 to 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

The project did not have any other receipts during the year under review.

a) 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.

b) 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 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) 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.

Significant Accounting Policies (Continued)

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.

c) 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.

d) 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.

e) 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' 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.

f) 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.

g) 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.

h) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2022.

i) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into the functional currency

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

11. Notes to the Financial Statements

1. Proceeds From Domestic And Foreign Grants

During the 12 months to 30 June 2022, we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs	
						2021-2022 KShs	2020-2021 KShs
Grants Received from Bilateral Donors (Foreign Governments)							
Embassy of Sweden	28/04/2022	842,849	10,623,015	0.00	0.00	10,623,015	0.00
Total		842,849	10,623,015	0.00	0.00	10,623,015	0.00

Notes to the Financial Statements (Continued)

2. Miscellaneous receipts

	2021-2022			2020/2021	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts		
	Kshs	Kshs	Kshs	Kshs	Kshs
National Bank of Kenya	370,000	-	370,000	-	386,880
Total	370,000	-	370,000	-	386,880

The amount relates to receipt paid to the SymbioCity Programme account by the National Bank of Kenya as a contribution to implementation of program activities

3. Compensation Of Employees

	2021/2022			2020/2021	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Basic salaries of permanent employees	1,961,400	-	1,961,400	6,742,350	44,856,932
Total	1,961,400	-	1,961,400	6,742,350	44,856,932

Notes To The Financial Statements (Continued)

4. Purchase Of Goods And Services

	2021/2022			2020/2021	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	-	-	-	-	1,852,964
Communication, supplies and services	-	-	-	-	1,320,387
Domestic travel and subsistence	6,272,730	-	6,272,730	1,315,895	26,964,017
Foreign travel and subsistence	-	-	-	-	5,741,472
Fuel & Lubricants	375,000	-	375,000	-	375,000
Printing, advertising and – information supplies & services	-	-	-	-	3,226,813
Training and Conference	8,160,200	-	8,160,200	397,000	35,260,461
Hospitality supplies and services	-	-	-	-	8,291,933
Change project -Consultancy	77,541,491	-	77,541,491	55,479,798	134,886,976
Contracted professional services	1,125,000	-	1,125,000	-	1,125,000
Quick Win Projects	56,606	-	56,606	108,700	11,898,957
Repair and Maintenance	400,534	-	400,534	-	598,817
General Office supplies	3,398,825	-	3,398,825	-	3,398,825
Bank Charges	135,847	-	135,847	45,409	195,586
Total	97,466,233	-	97,466,233	57,346,802	235,136,908

Notes To The Financial Statements (Continued)

5. Acquisition Of Non-Financial Assets

	2021/2022		2020/2021	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties		
	KShs	KShs	KShs	KShs
Purchase of office furniture & general equipment	160,000	-	-	1,581,760
Purchase of ICT Equipment, Software and Other Assets	969,200	-	-	2,560,300
Transport Equipment	-	-	-	5,450,000
Total	1,129,200	-	-	9,592,060

Notes To The Financial Statements (Continued)

6. Cash And Cash Equivalents

	2021/2022	2020/2021
	KShs	KShs
Bank accounts	186,263	94,488,240
Cash in hand	-	-
Total	186,263	94,488,240

The programme has one programme account managed within the Head Office and has one foreign currency designated accounts managed by the National Treasury as listed below:

6. A. Bank Accounts

Project Bank Accounts

	2021/2022	2020/2021
	KShs	KShs
Foreign Currency Accounts		
Central Bank of Kenya [A/c No:1000264047]	-	-
Total Foreign Currency balances	-	-
Local Currency Accounts		
National Bank of Kenya [A/c No: 01001113869200]	186,263	94,488,240
Total local currency balances	186,263	94,488,240
Total bank account balances	186,263	94,488,240

7. Deposits and Retention Monies

Description	2021-2022	2020-2021
	Kshs	Kshs
Retention	125,810	4,863,969
Total	125,810	4,863,969

8. Fund Balance Brought Forward

	2020/2021	2019/2020
	KShs	KShs
Bank accounts	153,713,423	108,523,038
Cash in hand	0.00	5,295
Total	153,713,423	108,528,333

9. Changes in Accounts Payable

Description	2021/2022	2020/2021
	Kshs	Kshs
Deposit and Retentions as at 1 st July	4,863,969	-
Closing accounts payables as at 30 th June	125,810	4,863,969
Change in payables	(4,738,159)	4,863,969

**Kenya SymbioCity Programme
Annual Report and Financial Statements for the financial year ended 30 June 2022**

Other Important Disclosures

12. Progress On Follow Up of Prior Year Auditor's Recommendations

Reference	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Inaccuracy of the Financial Statements</p> <p>The statement of receipts and payment reflects Kshs. 278,653,337.00 and Kshs. 189,029,067.00 in respect to amount received and cumulative amounts paid to date respectively. The funding summary on page 'v' to the financial statement reflects Kshs.278,636,457.00 and Kshs.184,165,097.00 resulting in unreconciled variances of Kshs.16,880 and 4,863,970.00</p> <p>In the circumstance the accuracy and completeness of the Financial statements for the year end 30th June</p>	<p>The unreconciled variances is as a result of an omission to reflect the adjustments made retention amounts of Kes.4,863,970.00 and a miscellaneous receipt adjustment in the summary statement. However, the correct balances are reflected in the statement of receipts and payment.</p>	Resolved	30 th June 2022

**Kenya SymbioCity Programme
Annual Report and Financial Statements for the financial year ended 30 June 2022**

Reference	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	2021 could not be confirmed.			
2	<p>Consultancy Procurement</p> <p>Note 3 to the financial statements reflects Kshs.57,377,627 in respect to purchase of goods and services for the year under review, included in the account balance is Kshs.55,510,622 relating to Change project – Consultancy which further includes Kshs.320,000 to consultancy service company for Environmental and Social Impact Assessment (ESIA) in Mbita Town, Homabay County before implementation of Kenya SymbioCity Programme. However, audit has revealed that procurement of Consultancy Services for ESIA was undertaken through request for quotation</p>	<p>During the procurement process, the invitation to bid caption the procurement item as a service by the fact there was public sensitization and training as part of the ToR. The county considered the procurement item as a service and not consultancy as its not predominantly intellection or advisory in nature as allowed in section 115 of the PPDA- 115- Stating ‘the request for proposal is applies to procurement of professional services which are predominately intellectual or advisory in nature.’</p> <p>The request for quotation was floated as a combination method as allowed under section 116 -2 of the PPDA 2015 stating ‘Subject to any prescribed restrictions, a procuring entity may use a</p>	Resolved	30 th June 2022

**Kenya SymbioCity Programme
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>contrary to section (1) of the Public Procurement and Asset Disposal Act (2015) on procurement of professional services, which is predominantly intellectual or advisory in nature.</p> <p>In addition, there were no technical proposals submitted by bidders and the entity did not undertake technical evaluation of bids, an indication that there was no basis for award of these works to the consultancy services companies.</p> <p>In the circumstances, it is not possible to confirm that the value for money was obtained in an expenditure totaling Kshs.320,000 for the year ended 30 June 2021.</p>	<p>request for proposals in combination with other methods of procurement under this Act'</p>		
3	<p>Budget Control and Performance</p> <p>During the year under audit, the Kenya SymbioCity Programme had an</p>	<p>On the aspect of budget under absorption during the year under review, the Kenya SymbioCity programme requested for a no cost extension for the</p>	Resolved	30 th June 2022

**Kenya SymbioCity Programme
Annual Report and Financial Statements for the financial year ended 30 June 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>expenditure budget of Ksh.157,120,299 against an actual expenditure of Kshs.64,119,977 resulting in net under expenditure of Kshs.93,000,322 as summarized below. It is evident that Ksh.93,00,322(59%) was not spent on the programme resulting in negative impact of the planned activities and service delivery to stakeholders.</p>	<p>programme from 31 December 2018 to 31 December 2019 being end of activity implementation period for the program. However, due to the nature of the programme activities which involved change projects which are infrastructure projects that required more time to design and implement before making any payment based on the contracts signed and therefore could not be paid within the financial year. Further, due to the challenges brought about by the COVID 19 pandemic which resulted in lock down and working from home, the programme activities faced a slow pace of implementation and thus could not be completed by December 2020 as envisaged and thus request for period extension to 31 December 2021.</p>		

**Kenya SymbioCity Programme
Annual Report and Financial Statements for the financial year ended 30 June 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4	<p>Working Tools and Stationeries Procurement in Kisumu County</p> <p>Note 3 to the financial statements reflects ksh.57,377,627 in respect to purchase of goods and services which includes accounts balance of Ksh.55,510,622 in respect to change project-consultancy that further included payment of Ksh.187,240 through voucher No. 072 dated 2 February 2021 in respect to a limited company for supply and delivery of assorted working tools and stationeries in Kisumu County.</p> <p>Although three bidders responded for request for quotations the tax compliance certificate for a bidder was invalid, as it had expired, therefore, award was based on two bids.</p>	<p>At the point of procurement of the services, the bidder had provided confirmation on the application for the tax compliance, which formed the basis of evaluating the three bidders who had, bided for provision of services.</p>	Resolved	30 th June 2022

**Kenya SymbioCity Programme
Annual Report and Financial Statements for the financial year ended 30 June 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the absence of fairness, equity, transparency and competitiveness as required in section 227(1) of the Constitution, it is not possible to confirm that value for money was obtained in Kshs. 187,240 incurred on purchase of assorted working tools.			


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Name: Mary Mwiti

Chief Executive Officer


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Name: Nicodemus Mbwika

Project Manager

RPP No.0315

*Kenya SymbioCity Programme
Annual Report and Financial Statements for the financial year ended 30 June 2022*

13. Annexes

Annex1 - Variance Explanations - Comparative Budget and Actual Amounts for FY 2021-2022

	Final Budget	Actual on Comparable Basis	Utilization Difference	Budget	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %		
Receipts						
Proceeds from domestic and foreign grants	10,623,015	10,623,015	-	-	-	The programme has received all the disbursement as per amendment agreement No 2. in the Financial year 2019/2020 except for amount under the amendment which was received in the FY 2021/2022
Miscellaneous receipts	370,000	370,000	-	-	-	
Total Receipts	10,993,015	10,993,015				
Payments						
Compensation of employees	1,961,400	1,961,400	-	-	100%	
Purchase of goods and services	97,526,686	97,466,233	60,453	60,453	100%	
Acquisition of non-financial assets	1,129,200	1,129,200	-	-	100%	
Total payments	100,617,286	100,556,833	60,453	60,453		

*Kenya SymbioCity Programme
Annual Report and Financial Statements for the financial year ended 30 June 2022*

Annex 2 – Summary of Fixed Assets Register

Asset class	Opening Cost		Donations in form of assets		Purchases/ Additions in the Year		Disposals		Transfers in/(out)		Closing Cost	
	Kshs	1st July 2021	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022
	(a)	(b)	(c)	(d)	(e)=(a)+(b)+(c)-(d)+(-d)							
Office Machine		251,000	-	160,000	-	-	-	-	-	-	411,000	
Office Furniture		1,317,760	-	-	-	-	-	-	-	-	1,317,760	
Sofwares		-	-	-	-	-	-	-	-	-	-	
Computers		1,444,100	-	969,200	-	-	-	-	-	-	2,413,300	
Motor Vehicle		5,450,000	-	-	-	-	-	-	-	-	5,450,000	
Total		8,462,860	-	1,129,200	-	-	-	-	-	-	9,592,060	

*Kenya SymbioCity Programme
Annual Reports and Financial Statements for the financial year ended 30 June 2022*

Annex 3: Analysis of Pending Payables

Retention	Original Amount	Date Contracted	Amount Paid to date	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
	a	b	c	d=a-c		
M/S WORLD BRAINS CAPITAL P.O BOX 19695- 4012	125,810	4th June 2020	-	125,810	-	Construction of Proposed Material Recovery waste
	125,810		-	125,810	-	