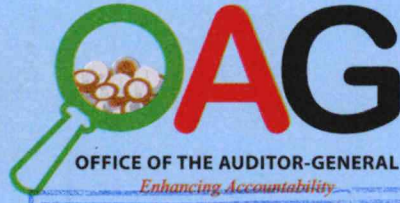


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 06 NOV 2025	DAY: Thursday
TABLED BY:	Hon Naomi Wago, MP Deputy Majority Party Whip
THE-TABLE:	A. Shobuka

THE AUDITOR-GENERAL

ON

**EASTERN AFRICA REGIONAL TRANSPORT,
TRADE AND DEVELOPMENT FACILITATION
PROJECT (IDA CREDIT NO.5638-KE)**

FOR THE YEAR ENDED

30 JUNE, 2025

KENYA REVENUE AUTHORITY



KENYA REVENUE AUTHORITY

**EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT
FACILITATION PROJECT**

PROJECT GRANT/CREDIT NUMBER. 5638 -KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025**

**Transitional IPSAS Financial Statements/Prepared in accordance with the
Accrual Basis of Accounting Method Under International Public Sector
Accounting Standards (IPSA)**

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1. ACRONYMS AND DEFINITION OF TERMS

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
CT	County Treasury
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.

2. PROJECT INFORMATION AND OVERALL PERFORMANCE

2.1 Name and registered office

Name: Eastern Africa Regional Transport, Trade & Development Facilitation Project.

Objective:

The key objective of the project is to improve the movement of goods and people along Lokichar – Nadapal/Nakodok part of the Eldoret - Nadapal road in the north – western part of Kenya and to enhance connectivity between Kenya and South Sudan.

Address: Times Towers Building, Nairobi County, Kenya.

Registered office:

Times Tower Building,
 Haile Selassie Avenue,
 P.O Box 48240-00100,
 Nairobi, Kenya.

Contacts:

Telephone: (254) 020-310900, 2810000, 315553

E-mail: callcenter@kra.go.ke, cic@kra.go.ke

Website: www.kra.go.ke

2.2 Project Information

Project Start Date:	20 th July 2015
Project End Date:	31 st December 2024
Project Coordinator:	Dr. Lilian Nyawanda (Commissioner of Customs & Border Control)
Project Development Partner:	World Bank (International Development Agency)

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the National Treasury
Project number	5638 –KE
Strategic goals of the project	The strategic goals of the project are Facilitation of Regional Transport, Trade and Development which includes: -

	<ul style="list-style-type: none"> (i) Harmonisation of Customs and other border management, risk management and control procedures. (ii) Strengthening of the cross-border management unit of KRA including enhancing its coordination with other border agencies.
	<ul style="list-style-type: none"> (iii) Support the implementation of an integrated border management system. (iv) Support Implementation of the Memorandum of Understanding (MOU) between Kenya Customs and South Sudan Customs Services relative to information exchange and use of common procedures (v) Support the use of information and communication technology (ICT) for revenue collection and for facilitating clearance and release of goods to help Kenya Customs comply with new transparency requirement of e-citizen registration, electronic collection of revenue and e-reporting of clearances and release of goods. (vi) Design construction and supervision of the construction of offices at selected locations along the Eldoret-Nadapal/Nakodok road corridor to house rapid response unit of KRA to monitor international trade. (vii) Support the implementation of the regional cargo monitoring for goods under customs control (viii) Training of KRA staff (ix) Incremental Operating costs
<p>Summary of Project Strategies for achievement of strategic goals</p>	<ul style="list-style-type: none"> (i) The project management aims to achieve the goals through the following means: (ii) Harmonisation of Customs and other border management, risk management and control procedures. (iii) This component has been achieved. South Sudan is now a Member of East African Community and has adopted the EAC trade facilitation instruments including One Stop Border Post Act and East Africa Customs Management Act. (iv) Strengthening of the cross border management units and enhancement of coordination with other border agencies. The Authority has already procured enforcement equipments including motor vehicles which are currently undertaking patrol and surveillance activities within the corridors (v) Support the implementation of an integrated border management system. (vi) KRA has adopted a multi-agency operation at the border to facilitate coordinated border management on the Kenya Side. Joint Operations with Sudan will commence once the MoU is signed. (vii) Support Implementation of the Memorandum of Understanding (MOU) between Kenya Customs and South

	<p>Sudan Customs Services relative to information exchange and use of common procedures. Discussion of the MOU are ongoing. So far substantial milestone have been achieved just awaiting approval with Ministry of Foreign Affairs.</p> <p>(viii) Support use of ICT for revenue collection and for facilitating clearance and release of goods</p> <p>(ix) As a member of East Africa Community, South Sudan clear their cargo at the first Point of entry, which is Mombasa Port. To facilitate faster clearance of cargo and release of goods, KRA has already completed and commissioned a Kilindini Fibre upgrade at the port.</p> <p>(x) Design construction and supervision of the construction of offices at selected locations along the Eldoret-Nadapal/Nakodok road corridor to house rapid response unit of KRA to monitor international trade.</p> <p>(xi) KRA procured a design & supervision consultant, undertook public participation as at Turkana County and was allocated 60 acres of land for construction of RRU.</p> <p>(xii) Support the implementation of the regional cargo monitoring for goods under customs control. The activity involved the integration of KRA's RECTS system with KeNHA's weighbridge system in order to receive real time data. The integration between KRA and KeNHA was achieved under GoK. Therefore, the funds were reallocated to the construction of the offices at Lodwar, Kainuk and Kakuma.</p> <p>(xiii) Training of KRA staff. KRA has trained a total of 1,682 Staff from inception of this Project to date. The Authority has trained officers in One Stop Border Post Operations, Customs refresher and Project Management. This has enhanced staff capacity in trade facilitation, border management and Project Management.</p>
<p>Other important background information of the project</p>	<p>The project contributes to the overarching objective of the Eastern Africa Regional Transport, Trade and Development Facilitation Program of "enhancing connectivity of South Sudan with its Eastern Africa neighbouring countries, and its access to sea ports" through a sequential improvement in physical and institutional infrastructure, in addition to promoting trade and development facilitation interventions on the Juba- Nadapal – Eldoret /development corridor. The overall program is being implemented in a series of three projects (SOPs).</p> <p>The first project of the program (Phase 1) focused on South Sudan, was approved in May 2014. It supports the improvement of part of the Juba-Nadapal/Nakodok road in the territory of South Sudan, and implementation of trade and development facilitation measures, including a new fiber optic link (This was suspended).</p>

	<p>This second project (Phase 2) is focusing on the improvement of road and ICT infrastructure, implementation of trade and development facilitation, including facilitating the development of export processing zones, pastoralist road side markets, and service centres (rest stops) in Kenyan territory. The third project (Phase 3) expected to cover Kenya and South Sudan will focus on enhancing support to trade facilitation measures along the Juba-Nadapal-Eldoret corridor and completing the upgrading of the Juba-Eldoret road. The overall program in the long-term envisages promoting the entire EAC Corridor No.3, including Kitale to Biharamulo (the extension of Juba- Nadapal- Eldoret road) as a development corridor by upgrading the section of the road from Kitale to Biharamulo into a safe and digital road, as well as replicating the trade and development facilitation interventions adopted for the Juba-Eldoret corridor.</p>
<p>Areas that the project was formed to intervene</p>	<ol style="list-style-type: none"> 1. Support revenue collection to facilitate clearance and release of goods through robust ICT infrastructure upgrade 2. Support monitoring of cargo along the Kitale- Nadapal/Nakodok corridor and combat the smuggling of contraband 3. Support cross border trade and facilitate exports in the country 4. Strengthening of the cross-border management unit of KRA including enhancing its coordination with other border agencies and 5. Enhance staff capacity
<p>Project duration</p>	<p>The project started on 20th July 2015, was initially expected to run until 31 December 2021, however due to delay in implementation of most activities affected by the Covid 19 pandemic, an extension was granted until 31st December 2023 and a further extension was granted until 30th June 2025 when the Project ended.</p>

2.4 Bankers

National Bank of Kenya Limited,
Harambee Avenue Branch,
P.O. Box 41862-00100 Nairobi, Kenya

2.5 Auditors

Independent Auditor
 Office of the Auditor General,
 Anniversary Towers, University Way,
 P.O. Box 30084 – 00100
 Nairobi, Kenya.

2.6 Roles and Responsibilities

List of the Project management team who worked on the project for the period ended 30th June 2025 are as stated below. This included a project team leader and all the key stakeholders as stipulated in the Finance Agreement and these where the team involved in the project. Below stated also are their positions, qualification and roles to the project.

Names	Title designation	Key qualification	Responsibilities
Kenneth Mbobua	Chief Manager	Bachelor of Science - information Technology	Team Leader
Ruth Rugwe	Assistant Manager	MA, Economics	Deputy Project Team Lead & Monitoring and Evaluation
Benson Kiruja	Ag. Deputy Commissioner	MBA (Supply Chain Management), Chartered Institute of Procurement and Supply, UK,	Head Procurement
William Buluma	Chief Manager	Bachelor of Quantity Surveying (UON) CPA- Sec 6 Chartered Institute of Arbitrators Registered Quantity Surveyor	Construction, Facilities & Logistics Specialist
Catherine Okoth	Manager	Bachelor of science in food, nutrition and dietetics.	Technical Officer
Jacqueline Osango	Manager	MBA(Finance), BS-Business Admin,CPA(K).	Financial Management Specialist
Maximilla Onyango	Manager	Diplomacy, Marketing & Communications	M.A Communication
George Ouya	Supervisor	CPA	Project Accountant
Miriam Musyimi	Assistant Manager	MBA (Strategic Management), CIPS, BA (Purchasing & Supply Chain	Procurement Specialist

		Management)	
Elias Mirigi	Assistant Manager	Master of Science in IT	ICT Specialist
Paul Lentupuru	Assistant Manager	Bachelor of Arts in Criminology and Security Studies. Higher Diploma in Forensic Psychology and Criminology	Security Specialist
Charles Anino	Officer	BTECH Civil Engineering	Facilities and Logistics specialist
Grace Mwangi	Manager	Bachelor of business administration	Training Specialist
Lenza Nyabwa	Supervisor	Bachelor of Business Administration	Technical – Cargo Monitoring
Christine Ilahalwa	Ag. Chief Manager	MA-International Business Management	Social Safeguards Specialist
Charles Muriithi	Assistant Manager	MA (Economics), BA (Economics)	Technical Officer
Esther Adhiambo	Officer	Bachelor of Technology Information Studies.	Secretariat
Grace Wamwea	Supervisor	Bachelor of Commerce (Bcom) Chartered Institute of Procurement and Supply, UK	Technical Support & M&E
Winnie Kibuchi	Assistant Manager	Msc. Project Management Professional Diploma- CIPS, UK Certified Supplies Practitioner- KISM	Procurement Specialist

2.7 Funding summary

The Project was initially for duration of six years from 2015 to completion date December 2021. In January 2022 the project was restructured through an amended Finance agreement extending the completion date to December 2023 and further extended to December 2024. The project was completed on 31st December 2024.

The approved funding increased from US\$8 million equivalent to KShs 806 million to US\$ 10.9 million equivalent to KShs 1,365 million as highlighted in the table below:

PROJECT INFORMATION AND OVERALL PERFORMANCE

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date (30th June 2025)		Undrawn balance to date (30th June 2025)	
	USD '000'	KShs '000'	USD '000'	KShs '000'	USD '000'	KShs '000'
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
International Development Association (IDA)	10,180	1,243,789	7,926	982,262	2,254	261,527
(iii) Counterpart funds						
Government of Kenya	720	121,000	720	121,000	-	-
Total	10,900	1,364,789	8,646	1,103,262	2,254	261,527

B. Application of Funds

Source of funds	Amount received to date (30th June 2025)		Cumulative Amount paid to date (30th June 2025)		Unutilised balance to date (30th June 2025)	
	USD '000'	KShs '000'	USD '000'	KShs '000'	USD '000'	KShs '000'
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
International Development Association (IDA)	7,926	982,262	7,926	982,262	-	-
(iii) Counterpart funds						
Government of Kenya	720	121,000	719	120,953	1	47
Total	8,646	1,103,262	8,645	1,103,215	1	47

2.8 Summary of Overall Project Performance:

i) Budget performance against actual amounts current year period and cumulative to date

The project expenditure for FY 2024/25 as at 30th June 2025 is 100% based on current year's budget spend and commitments.

The cumulative project expenditure on budget and commitments from inception to date is 100% of the undisbursed funds as at 30th June 2025

The project Implementation status on activities is at 100%

Implementation of the main activity i.e. Construction of Rapid Response Units began in Aug 2023 and was completed on 31st December 2024. The invoice for the final certificate is currently under World Bank approval for direct payment.

Project performance FY 2024/25				
Period	Budget "Kshs"	Budget spend & Commitments "Kshs"	Budget spend & Commitments %	Implementat ion status %
Current Budget	482,700,000	Paid 238,860,100 Committed 261,526,418 Total 500,386,518	100%	100%
Cumulative	1,364,789,000	Paid 1,103,216,378 Committed 261,526,418 Total 1,364,742,796	100%	100%

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

The status of implementation is as follows;

1) **Support for ICT to ensure revenue collection and facilitate clearance and release of goods- Kilindini Fibre Connectivity**

The ICT component had two lots:

- Lot 1 involves a project to upgrade the for Fiber Optic Based Metropolitan Area Network (MAN) and Local Area Networks (LANs) In Kilindini Port.
- Lot 2 involves Network Management and Traffic Shaping Solution at KRA Data Centre in Nairobi.

Both Lot 1 and Lot 2 have been fully implemented and commissioned for use.

	LOT 1 : Fiber Optic Based Metropolitan Area Network (MAN) and Local Area Networks (LANs) in Kilindini Port
Contractor	Top Choice Surveillance Limited
Contract Type	Works and Installation of Equipment
Commencement Date	31/12/2019
Completion Status	100% complete and commissioned on 07/07/2021
Contract amount:	Kshs. 175,084,037
Payments	a) Amount paid: Kshs. 160,186,016

	LOT 2: Network Management and Traffic Shaping Solution at KRA Data Centre in Nairobi
Contractor	Next Technologies Ltd
Contract Type	Works and Installation of Equipment
Commencement Date	01/12/2019
Completion Status	100% complete and commissioned on 07/07/2021
Contract amount:	USD. 457,649.68 (Kshs 57M)
Payments	a) Amount paid: USD 457,649.68

2) Systems to facilitate implementation of regional cargo monitoring for goods under customs control

	Systems to Facilitate Implementation of Regional Cargo Monitoring
Budget amount:	USD. 500,000 (Kshs 62M)
Progress Status-Completed	-KRA engaged KENHA on how to leverage on their systems to install cargo-monitoring system. -KRA reallocated funds for this activity to Construction of RRU activity because of the limited period that was remaining to completion of the project. This was communicated to World Bank in a meeting held on 18 th April 2023 and approved through revised procurement plan on World bank portal. KRA, through GoK has since implemented this activity and can therefore receive real-time data from all KeNHA's weighbridges across the country.
Payments	Nil

3) Supply and delivery of furniture and office equipment for Nadapal Patrol Base and Lokichogio, Lodwar, Lokichar and Kainuk Rapid Response Units (RRUs)

	Furniture and Office Equipment
Contractor	Various
Contract Type	Goods
Commencement Date	Nov 2023
Completion Status	100% complete, Delivered and Paid
Budget amount:	USD. 520,000 (Kshs 64M)

Contracts amounts	Kshs. 58,883,883 (USD 451,949)
Progress Status Completed	- As per the restructured finance agreement this activity is funded by counterpart (GOK) funding. - KRA received a Total of Kshs 121 Million Counterpart from Inception to 31 st Dec 2024. - The GOK funds of Kshs 59M utilised on procurement of Furniture and 62Million utilised on Operating expenses under supervision of construction of RRU.
Payments	a) Amount paid: Kshs. 58,883,883

4) Consultancy for design, Bills of Quantities (BQs), Environmental Impact Assessment (EIA), Evaluation of bids and supervision of works for Nadapal Patrol Base and Rapid Response Unit (RRUs) Offices

Consultancy for design of RRUs Offices	
C/contractor	University of Nairobi
Contract Type	Consultancy
Commencement Date	Feb 2022
Completion Status	100% complete and commissioned, Final invoice in process of payment
Budget amount:	USD. 600,000 (Kshs 74M)
Contract Amount	Original Contract amount: Kshs. 20,574,134 Revised Contract Amount: 25,717,667.67
Progress Status completed	-KRA reallocated the savings from the remaining budget for this activity to Construction of RRU activity. -Construction of the RRU offices was complete by 31 st December 2024 as well as the Consultancy services for Design and supervision for construction of RRU completed in 31 st December 2024. - University of Nairobi invoice for the final Certificate of Kshs 5,143,533.70 were processed and taxes totalling to Kshs 310,385.60 paid through GOK funds before sending to National Treasury in Feb 2025 for direct payment by World bank and are currently pending payment as at 30 th June 2025.
Payments	a) Amount paid: Kshs. 17,909,707

5) Support to Implementation of MoU between Kenya and South Sudan and quality control and Harmonisation of Border Procedures

This activity includes two components:

- a) Support to the implementation of the memorandum of understanding between Kenya Customs and South Sudan Customs; and
- b) Services capacity building (Quality and harmonization of border procedures).

	MOU between Kenya and South Sudan
Contractor	Reallocated to another activity
Contract Type	Works
Commencement Date	July 2024
Completion Status	100% complete and paid
Budget amount:	USD. 600,000 (Kshs 74M)
Progress Status	-The MOU was reviewed and approved by the Office of the Attorney General, National Treasury and Ministry of Foreign Affairs (MoFA). -World Bank gave No objection approval - Official Signoff between KRA and NRA was done on 21 st October 2024 in Southern Sudan. -KRA reallocated the savings from the remaining budget for this activity to Construction of RRU activity.
Payments	Amount utilised: Kshs. 627,892

6) Capacity Building Training & Stakeholder Engagement

	Capacity Building Training
Contractor	Various
Contract Type	Training
Commencement Date	2019
Completion Status	100% complete and paid
Budget amount:	USD.1,700,000 (210M)
Progress Status	The status of implementation from Inception to date is as follows: a) A total of 1,682 KRA staff trained on different professional courses from inception to end of FY 2023/24. A total spend of Kshs 174M. -KRA reallocated the savings from the remaining budget for this activity to Construction of RRU activity.
Payment	1) Total Amount paid: Kshs. 173,874,047

7) Provision of Enforcement Equipment

	Enforcement Equipment
Contractor	Biometrics Technology Ltd
Contract Type	Goods
Commencement Date	29 th July 2022
Completion Status	100% complete and paid
Budget amount:	USD. 715,000 (Kshs 89 M)

Contract Amounts	Kshs 13,640,000 (USD 110K) & USD 315,795 (Kshs 44,483,956M)
Progress Status	<p>-Tender awarded in June 2022 and contract of USD 315,794 (Kshs 39,095,421) signed on 29th July 2022.</p> <p>-Delivery delayed 3 out of the 4 equipment delivered in June 2023.</p> <p>-Payment made on 15th Nov 2023 via Direct Payment by World Bank.</p> <p>2) The Lot 2 of enforcement equipment:</p> <p>a) Laptops & Screens for the project</p> <p>- World Bank no objection approval received of USD 84,000 and USD 19,000 respectively.</p> <p>- Items delivered and paid a total Kshs 13,682,623.</p> <p>-KRA reallocated the savings from the remaining budget for this activity to Construction of RRU activity, which requires more funds from what was budgeted for. This was communicated to World Bank in a meeting held on 18th April 2023 and approved through revised procurement plan on World bank portal.</p>
Payments	a) Total Amount paid: Kshs. 58,123,956

8) Construction and rehabilitation works for Nadapal Patrol Base and Lokichogio, Lodwar, Lokichar and Kainuk Rapid Response Units (RRUs)

	Construction and rehabilitation works
Contractor	Kashyap Contractor
Contract Type	Works
Commencement Date	July 2023
Completion Status	100% complete & Commissioned, Final invoice in process of payment
Initial Budget amount:	USD. 3,280,000 (Kshs 406M)
Contract Amount	Kshs 675,617,750 (USD 5M)
Progress Status	<p>-KRA reallocated funds from activities completed with savings in their budget or those that were not done by end June 2023 to Construction of RRU activity which requires an approximate budget of USD 5Million which is more than what was initially budgeted for.</p> <p>-This activity progressed as per the following milestones:</p> <p>1) KRA acquired 60 acres of land from Turkana Community in Lodwar, Kainuk and Kakuma (20 acres each) through public participation in the March –April 2022.</p> <p>2) KRA already received the land ownership documents as per Kenya Gazette dated 29th Sep 2023.</p>

	<p>3) The Supervision consultant (UON) submitted the following reports:</p> <ul style="list-style-type: none"> a) Inception Report (D1) b) Needs Assessment Reports (D2) c) Conceptual/Schematic Designs Report (D3) d) Detailed design report (D4) e) Bills of Quantities and bidding documents (D5) f) EIA Report (D6) <p>4) KRA tendered for a contractor for the construction of Rapid Response Units in Kainuk, Kakuma and Lodwar. Evaluations were done and One contractor qualified for all the 3 lots and was awarded.</p> <p>5) Construction of the RRU began in August after the site handover in all the 3 sites (Lodwar, Kainuk and Kakuma) and was completed on 31st December 2024</p> <p>6) Invoices of Certificate 9 invoices KRACU0100035001/68/ 69 / 70 dated 17th March 2025 of amount 84,457,113.82, 84,040,627.56 & 86,830,980.93 respectively Totalling Kshs 255,328,722 were processed and taxes totalling to Kshs 11,005,549 paid through GOK funds before sending to National Treasury in March 2025 for direct payment by World bank. The invoices were partly paid with only Kshs 2,406,922 and total Kshs 246,749,399 is still pending payment as at 30th June 2025.</p>
Payments	<ul style="list-style-type: none"> a) Advance payment and Certificates 1 to 9 : Kshs. 428,572,165 b) Invoice pending payment Kshs 246,749,399

9) Supply and delivery of patrol motor vehicles & motor cycles and a fork lift.

Patrol Motor Vehicles and Fork Lift	
Contractor / Supplier	Crown Motor Groups , Isuzu E.A, Achelis Material Handling LTD
Contract Type	Goods
Commencement Date	12.11.2021 , 11.11.2021 & 25.11.2021
Completion Status	100% complete and paid
Budget amount:	USD. 785,000 (Kshs 97M)
Progress Status	Implementation status: 100% We have already purchased & paid:- -4 units Hard Top 4x4 Station Wagons -5 Heavy Duty 4x4 Specialized Double Cabin unit -1-unit Forklift Truck.
Payments	a) Amount paid: Kshs. 73,052,154 & USD 99,253(Kshs 12,582,936.94)

10) Incremental Operating Costs.

Incremental Operating Costs	
Contract Type	Services
Expected Completion Date	December 2024
Allocated amount:	USD. 200,000 (Kshs 62M)
/Progress Status	-The funds have been utilised on KRA monitoring and evaluation, supervision and commissioning costs of construction of RRU. - Kshs 15,471,886 of GOK funds used to pay taxes so as to enable processing of Direct payment invoices. This was to be reimbursed upon Direct payment by World Bank. The amount includes:- -Kashyap Final invoices Taxes Kshs 11,005,549 -UON Taxes Kshs 310,385.60 - As at 30 th June the below invoices that were to be paid by GOK funds remained unpaid due to insufficient funds. Premier Safari Kshs 936,670 Long rock Tour & Travel Kshs 1,165,935 Elka Air Travel Kshs 194,424 Quattro Travel Ltd Kshs 593,340 MFI Kshs 2,556,000 Teeberry Consult Kshs 1,865,561 Techsource Point LTD Kshs 7,465,090 Total Kshs 14,777,019
Payments	a) Amount Utilised: Kshs. 62,068,114

iii) List of Implementation challenges and recommendations of the next steps

The project implementation faced the following challenges:-

1) Introduction of dusk to dawn curfew: Security situation escalated and this forced the Cabinet Secretary for Interior and National Administration to impose a dusk to dawn curfew in Kainuk through Legal Notice no. 9. This affected the delivery of materials. To mitigate this challenge the contractor increased in number of security personnel on site and extended working hours on site. Execution of parallel activities.

2) Labour apathy due to insecurity:- Works on site were disrupted, as there were two incidences of gunshots exchanges in close proximity to the site. This led to loss of man-hours, as the staff could not work optimally. Additionally, the fear of retaliatory attacks also led to labor apathy as staff were reluctant to work on site. To mitigate this challenge the contractor increase in the number of security personnel on site and extended working hours for example, working time to run from 7am to 7pm and introduction of work shifts. Execution of parallel activities.

3) Challenges in material acquisition and the El nino rains experienced:- The project has experienced challenges in materials acquisition, which are scarce and have to be hauled from long distances. There has also been delays in delivery of materials as roads are cut off. Also reduction of man working hours. To mitigate this challenge the contractor engaged with the local suppliers, recovered lost hours by working in shifts and engaged early delivery of materials

KRA Management put in measure to fast track the completion of the Construction of RRU by 31st December 2024. The construction was completed by 31st December 2024 and the offices, commissioned in March 2025.

2.9 Summary of Project Compliance:

The project complied with the applicable laws, regulations and financing agreement. The project also prepared the financial year ended 30th June 2025 as per the required template as recommended in the Prior year audit.

3. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

a) 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 objective of the project is to improve the movement of goods and people along Lokichar – Nadapal/Nakodok part of the Eldoret - Nadapal road in the north – western part of Kenya, in particular and enhance connectivity between Kenya and South Sudan, in general.

The key development objectives of the project's 2015-2024 plan are:

- i. Harmonisation of Customs and other border management, risk management and control procedures.
- ii. Strengthening of the cross-border management unit of KRA including enhancing its coordination with other border agencies.
- iii. Support the implementation of an integrated border management system.
- iv. Support the implementation of the Memorandum of Understanding (MOU) between Kenya Customs and South Sudan Customs Services relative to information exchange and use of common procedures.
- v. Support the use of information and communication technology (ICT) for revenue collection and for facilitating clearance and release of goods to help Kenya Customs comply with new transparency requirement of e-citizen registration, electronic collection of revenue and e-reporting of clearances and release of goods.
- vi. Design construction and supervision of the construction of offices at selected locations along the Eldoret-Nadapal/Nakodok road corridor to house rapid response unit of KRA to monitor international trade.
- vii. Support the implementation of the regional cargo monitoring for goods under customs control.
- viii. Training of KRA staff.

During the year FY 2024-2025 under review, the Authority undertook the following activities:

- i. Supervision of construction of RRU under contract KE-KRA-182803-CS-CDS by University of Nairobi (UON). Payment made in milestones, with the final payment awaiting to be paid by World Bank through Direct payment.

- ii. Implementation of construction of RRU under contract KE-KRA-182803-CS-CDS by Kashyap Enterprises Ltd. Payment made in milestones as per the completion certificates. Construction expected completed on December 2024. The final payment yet to be paid by World Bank through Direct payment.
- iii. Signing of the memorandum of Understanding between Kenya's Customs and Ethiopian Customs Commission.
- iv. Operational Expenses in KRA supervision, Monitoring and Evaluation of Construction of RRU.

Challenges experienced in the financial year while carrying out the project include:

- i) There were no major challenges experienced during the FY 2024-25 and therefore all activities were implemented by 31st December, 2024 as per financing agreement and workplans . The Contractor and Consultant completed their activities, however, the final certificates were processed and pending payments. KRA and PS Roads have requested the National Treasury for additional counterpart funds to settle the pending payments under the Project.

b) 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
Eastern Africa Regional Transport, Trade & Development Facilitation	Harmonisation of Customs and other border management, risk management and control procedures.	Increased efficient clearance of people, goods and services	Clearance Times	Clearance of cargo at the border takes average 1 day – 100% implemented
	Provision of Enforcement Equipment	Efficient and effective Prevention and detection of illicit trade	No. of Customs interceptions and compliance levels	Equipment delivered and paid - 100% implemented

	Capacity Building of Staff	Trained officers	No. of officers trained	a) A total of 1,682 KRA staff trained on different professional courses from inception to end of FY 2023/24. b) Project Implementation Team (PIT) Members trained on different professional courses - 100% implemented
	Monitoring of goods under customs control	Increased revenue collection and trade facilitation	No. of consignments under customs control tracked to destination	This activity to be implemented under Horn of Africa due to limited time.
	Use ICT for revenue collection and for facilitating clearance and release of goods	All documentation done electronically and seamless data exchange	% of declarations done online Seamless exchange of data	100% declarations in Kenya side done electronically. Seamless exchange of data requires implementation by South Sudan - 100% implemented
	Design construction and supervision of the construction of offices at selected locations along the Eldoret-Nadapal/Nakodok road corridor to house rapid response unit of KRA to monitor international trade.	Increased revenue collection and trade facilitation	No. of consignments under customs control tracked to destination	Construction completed in December 2024 – 100% complete.

4. ENVIROMENTAL AND SUSTAINABILITY REPORTING

a) Introduction

The mandate of the EARTTDFP is to improve: (a) the movement of people and goods and digital connectivity and access to social services to communities at designated locations along the Kitale-Nadapal/Nakodok route; and (b) the capacity of selected transport related institutions in Kenya.

b) Sustainability Strategy and Profile

Kenya Revenue Authority's (KRA) vision is to be "a globally trusted revenue agency facilitating tax and customs compliance". KRA seeks to be a good Corporate Citizen in all aspects of its operations and activities. To achieve Service Excellence, KRA has put measures in place to pursue excellence in service delivery through provision of various channels of service delivery including expansion of customer service points to ensure the services are easily available to the customers.

To achieve this objective, KRA is implementing the following strategies:

- (i) Establish additional stations/satellite/service centres (three (3) RRU stations in Turkana County).
- (ii) Service improvement – human interaction as well as technology (Fibre Optic Based Metropolitan Area Network (MAN) & Local Area Network (LANs) in Kilindini Port.
- (iii) Offer a multi-channel service to enhance service accessibility to taxpayers.

The role of Customs and Border Control Department is:

- a) Collect and Account for government revenue:- contribution to exchequer revenue averages at 35% per annum.
- b) Trade Facilitation:- Promote economic interests and development of trade through enhancement of trading activities and ease of doing business.
- c) National Security:- through Enforcement of Prohibitions and Restrictions.
- d) Protection of Society – Domestic industry, health and safety of citizens.
- e) Compilation of Trade Statistics

Implementation of the EARTTDFP by KRA is in line with the mandate of KRA specifically of ensuring facilitation of trade in the Northern part of Kenya. This will be through the establishment of Rapid Response Units (RRU) at Kakuma, Lodwar and Kainuk. This is one of the World Trade Organisation's initiatives under the Trade Facilitation Agreement, which contains provisions for expediting the movement, release and clearance of goods, including goods in transit.

Other initiatives for KRA under the EARTTDFP include the institutional strengthening through capacity building of staff as well as through the procurement of enforcement equipment and motor vehicles for patrol and enforcement activities.

KRA will also be signing a Memorandum of Understanding with South Sudan Customs Administration on areas of mutual cooperation. To ensure this will take place;

- (i) KRA will be working with other government agencies through to address any matters pertaining to security, trade, environmental sustainability. For instance, on land acquisition, KRA has worked closely with the National Lands Commission as well as the Turkana County Government for allocation of land in Kainuk, Lodwar and Kakuma.
- (ii) KRA has also established good working relations with KeNHA.
- (iii) KRA will ensure that there is funding to sustain the assets acquired in the project.
- (iv) KRA will ensure that trainings procured are in line with the corporate direction of the organisation.

c) Environmental performance

A number of statutes and regulations will guide the environmental considerations. These include:

- i. The EAC Customs Management Act 2004. The Act restricts the entry of prohibited goods into the country, as outlined in the Second and Third Schedules of the Act.
- ii. Environmental Law – EMCA, 1999 a key consideration here is the restrictions the environmental law places on disposal of unwanted products and e-waste, a key challenge in light of the growing automation of KRA activities and its attempts to adhere to the e-waste disposal guidelines.
- iii. Environmental Management and Coordination (Controlled Substances) Regulations, 2007 which regulates the production, trade and use of controlled substances and products.

To minimise the environmental impact of the development KRA ensured the adherence of the following during implementation of the project;

- Loss of Flora and Fauna; To reduce the loss of flora and fauna KRA ensured that clearing is only for the areas affected by the project and ensured the implementation of landscaping scheme (where possible existing exotic trees/vegetation has been retained and the replacement has been incorporated within the landscaping design.)
- Soil Erosion and Pollution; To control soil erosion and pollution KRA ensured back filling and levelling of affected areas, rehabilitation of vegetative cover /landscaping and employing construction best practice methods and implement erosions and sediment controls. The contractor sprinkles water occasionally to reduce air pollution from strong winds and improve air quality.

- Noise & Vibration Generation; Off-site recycling of demolition material; Combined deliveries where possible to minimise vehicular movements and emissions; this is being implemented. Designated skips for specific materials i.e. rubble and plasterboard. Also servicing regularly of machines on site and use of local manual labour as much as possible.
- Air Quality/Dust Generation; KRA has also embarked on planting of trees in all sites and so far approximately 200 trees have been planted. KRA has contacted the Kenya Forest Department to assist with the re-planting of trees where the weather conditions are very harsh to ensure success of the exercise for example at Lodwar where the wind and solar is very harsh and extreme.
- Solid waste Generation and disposal of garbage; Waste Disposal and destruction is undertaken by a NEMA approved disposal contractor in all sites. The contractor re-uses the waste materials and what is re-useable has been kept aside in a designated enclosed area. The contractor has a contract with NEMA certified waste management company for disposal of waste which is carried out on intervals. Other wastes for auction are secluded within the site.

d) Employee welfare

The hiring process in KRA is governed by the KRA Human Resource Policies (1st July 2023) interpreted in line with Kenya Labour Laws and other relevant regulations and legislations/Acts, and KRA complies with the gender and disability mainstreaming policies. The policy is reviewed every three years and takes into account views from staff. The policy takes into account the improvement of employees' productivity through the systematic development of knowledge, skills and attitudes including Industrial attachment to enable students/attachées acquire knowledge and skills in a professional work setting through application of learnt skills in a given institution and Internships to enables interns to experience on-the-job training. Additionally, KRA has a competitive reward system for its employees in terms of the remuneration including allowances and benefits.

The HR policy on (OSHA 2007) has set minimum health and safety standards that will promote a conducive working environment and integrate health and safety principles and practices into the Authority's business strategies. The policy applies to all employees in the Authority. The Authority is committed to promoting and maintaining high standards of health and safety for employees, customers and the general public, in an endeavour to improve the working conditions of its employees.

The following measures have been put in place to ensure health and safety for the workers during the construction of the RRU offices in Turkana County:

Considerations of security and safety were entrenched in the tender document and during implementation of the project as follows:

- Health and Safety Plan; The contractor submitted a health and safety plan for approval by the supervising engineer which is used for the implementation of the Health and Safety of workers and the surrounding environment.

- Safety of the site: Site hoarding was done before the commencement of the construction works and the construction of the permanent fences is at an advanced stage at all the three sites. Kainuk was cleared to improve visibility due to security concerns in the area.
- There are GSU officers manning the sites for security and safety of workers on site.
- Health and safety of workers: A well-documented emergency response procedure is in place on all sites. The same is displayed in the notice board on site. There is an MOU with the local hospitals for the workers on site for emergency services including an Ambulance response.
- First aid box: A fully equipped first Aid Kit is available in all sites and it is manned by a trained staff (first aid training or nurse) The Kit is regularly replenished. There is a trained First Aid officer on each site. There is a well labeled emergency assembly point on all sites.
- A daily health register: A daily health register is maintained with a list of all workers on site everyday. The record has information on log-in and log-out time and ID numbers for the workers reporting to site on a daily basis.
- Complaints and grievance register – all complaints and grievances are registered and dealt with according to the grievance redress mechanism, which is documented on site. Most complaints are handled immediately and resolved to satisfaction while major complaints are escalated to management. There is a suggestion box on site.
- An Incident register is maintained on site. All incidences are recorded in this register. The register includes the description of the incidence, the action taken and escalation if any.
- Occupational Health and Public Health Safety: The contractor has provided a Health and Safety Plan and sent it to the Consultant. There is a certified health and safety officer deployed on the sites who is available all the time. Fire evacuation procedure is documented and sensitizations conducted during tool box meetings.
- Fire fighting Equipment: Fire extinguishers have been installed in all the construction sites. There is a visible fire assembly point and proper signage is provided in the construction sites as per the requirement.
- Fire Safety: Sensitize workers on fire safety during all project phases. The site workers are regularly trained on Fire Safety during the tool box meetings which also cover other topics on safety of workers at the construction site.
- Fire Drills: Fire drills to test preparedness of staff have been conducted in the construction sites. There is periodic training on fire safety on site during the tool box meetings conducted in the morning.
- Hazards: There are adequate PPEs (helmets, safety boots, reflector jackets) goggles and gloves. The contractor has provided the right grade PPE depending on tasks being performed to avoid injuries, hazards and illness including working boots, overalls, helmets, goggles, earmuffs, masks, gloves etc.;
- Working in heights: Workers working in heights are adequately trained on heights. The site has staircases which are secured by guardrails and scaffolds and there is signage on safety on site.
- Risky areas such as man holes are barricaded and appropriate signage provided as warning. Signage for construction site and those authorized to access it is well marked. The sites are well labeled with appropriate signage. The sites are clean and- waste bins are provided on site. All sites have an entry gate which is manned by a guard at the entrance.
- Safety measures training done during tool box meetings. The tool box meetings are conducted periodically.

- There is a signage showing a warning on 'Construction Site' and control on speed at the entries/exits to the site at the main roads.
- Labour; There are mechanisms in place to ensure hiring from the local community is encouraged through the engagement of Community Liason Officers (CLOs).
- Recruitment gives equal opportunity to women and persons living with disabilities through the engagement of the CLO and inclusion of the criteria in the engagements with the community elders during recruitment.
- The workers signed engagement contracts on employment as per requirement by Labour Laws. The contracts are clear on employment terms including working hours and compensations where appropriate. There are daily registers for workers which include ID numbers and Time In and Time Out. Recruitment through IDs ensures that workers are of age.
- Workers were frequently sensitized on HIV/AIDS and other sexually transmitted diseases. Condoms are provided for the workers. Sensitizations are included in the toolbox meetings as a topic on HIV/AIDS and signages on HIV/AIDS awareness are displayed on site.
- Gender Based Violence (GBV) and Sexual harassment ; The Catholic Archdiocese of Lodwar provided support on issues related to GBV.
- The site was provided separate ablution facilities for both Genders which are well labeled.
- Social Safeguards Specialist; There was a safeguards specialist on site at all times.

e) Market place practices-

(i) Responsible Supply chain and supplier relations-

KRA conducts:

- Supplier appraisal to gauge Supplier performance and identify those that excel as well as those that require assistance to understand the procurement processes and then offers sensitizations to suppliers on regularly basis.
- Supplier engagements especially where there are stalemates has MoU with some Banks for AGPO groups for LPO financing.
- Post debriefing especially where tenders are none responsive or on the request of a vendor.
- Pre-bid to inform members what is expected for bidding
- Payment is within 60 days. For project contracts in other currencies, KRA engages National Treasury for allocation of budget in A&A.

(ii) Responsible ethical practices:-

- KRA ensures that all staff have to declare a conflict of interest e.g. in procurement evaluation, negotiations and must also declare gifts received associated to work.
- There exists a Corruption Pretension Committee
- Integrity assurance officers
- And KRA staff are sensitized on National Values and corruption prevention.

(iii) Regulatory impact assessment:-

- KRA adheres to provisions of article 201 of the Constitution of Kenya by ensuring public participation and information sharing.

- There are Stakeholder engagement structures in the authority.
- There also exists a Customer experience framework in the Authority

f) Community Engagements:-

KRA conducted public participation for the allocation of land by the community in 2022, where the community agreed to allocate KRA 60 acres of land at Kakuma, Kainuk and Lodwar.

KRA in the month of July 2023, conducted site hand over. This was an activity that involved the community, Consultant, Contractor, Government agencies in the region, County Government of Turkana as well as the KRA.

Contractor is also expected to be engaging the community through the Community Liaison Person on matters safety, employment, in case of any significant disruption expected

5. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

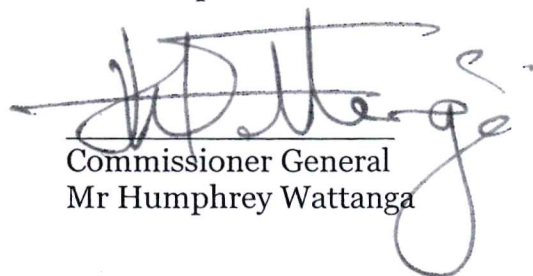
The Commissioner General, Kenya Revenue Authority and Project Coordinator for Eastern Africa Regional Transport, Trade & Development Facilitation Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2025. These responsibilities 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 Commissioner General, Kenya Revenue Authority and Project Coordinator for Eastern Africa Regional Transport, Trade & Development Facilitation Project accept responsibility for the Project's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Commissioner General, Kenya Revenue Authority and Project Coordinator for Eastern Africa Regional Transport, Trade & Development Facilitation Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2025, and of the Project's financial position as at that date. The Commissioner General, Kenya Revenue Authority and Project Coordinator for Eastern Africa Regional Transport, Trade & Development Facilitation Project 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. Commissioner General, Kenya Revenue Authority and Project Coordinator for Eastern Africa Regional Transport, Trade & Development Facilitation Project confirms 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 Commissioner General, Kenya Revenue Authority and Project Coordinator for the Eastern Africa Regional Transport, Trade & Development Facilitation on 09/10/2025 and signed on their behalf by.



Commissioner General
Mr Humphrey Wattanga



Project Coordinator
Dr. Lilian Nyawanda

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON EASTERN AFRICA REGIONAL TRANSPORT, TRADE AND DEVELOPMENT FACILITATION PROJECT (IDA CREDIT NO.5638-KE) FOR THE YEAR ENDED 30 JUNE, 2025 - KENYA REVENUE AUTHORITY

PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on the Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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 of the Auditor-General on Eastern Africa Regional Transport, Trade and Development Facilitation Project (IDA Credit No.5638-KE) for the year ended 30 June, 2025 – Kenya Revenue Authority

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Eastern Africa Regional Transport, Trade and Development Facilitation Project (IDA Credit No.5638-KE) set out on pages 1 to 43, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Eastern Africa Regional Transport, Trade and Development Facilitation Project as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with Transitional International Public Sector Accounting Standards and comply with the Financing Agreement No. 5638-KE between the Republic of Kenya and International Development Association (IDA) dated 20 July, 2015 and the Public Finance Management Act, 2012.

In addition, the special accounts statements present fairly, transactions for the year, and the closing balance have been reconciled with the books of account.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Eastern Africa Regional Transport, Trade and Development Facilitation Project Management in accordance with ISSAI 130 on the 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipt budget and actual on a comparable basis of Kshs.482,700,000 and Kshs.238,907,000 respectively, resulting to an under-funding of Kshs.243,793,000 or 51% of the budget. Similarly, the project incurred an expenditure of Kshs.238,860,000 against a total budget of Kshs.482,700,000 resulting to under expenditure of Kshs.243,840,000 or 51%. The

Report of the Auditor-General on Eastern Africa Regional Transport, Trade and Development Facilitation Project (IDA Credit No.5638-KE) for the year ended 30 June, 2025 – Kenya Revenue Authority

Management attributed the underfunding and under expenditure to the delay by The National Treasury in submitting direct payment expenditure to the World Bank which was made in 2025/2026 financial year. The under-funding and under expenditure affected the planned activities which may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the Other Information set out on page (iii) to (xxviii) which comprise of Project Information and Overall Performance, Statement of Performance against Project's Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, I confirm that nothing 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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Conclusion

As required by Financing Agreement No. 5638 – KE between the Republic of Kenya and International Development Association (IDA) dated 20 July, 2015 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. 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 Transitional International Public Sector Accounting Standards 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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The Standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

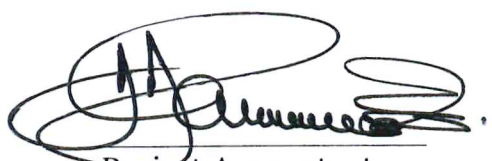
Nairobi

24 October, 2025

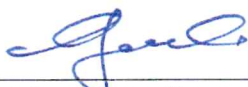
7. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2025

Description	Notes	2024/25
		KShs '000'
Revenue		
Revenue Transfers	6	187,727
Deferred Income	25	51,133
Total revenue		238,860
Expenses		
Employee costs	8	-
Use of goods and services	9	34,430
Depreciation and amortization expense	10	148,777
Transfer to other Government Entities	11	
Other Transfers/Subsidies/Grants	12	-
Certified Works	13	-
Total expenses		183,207
Other gains/(losses)		
Gain/Loss on sale of assets	14	-
Gain/Loss on foreign exchange transactions	15	-
Impairment loss	16	-
Surplus/ (deficit)		55,653

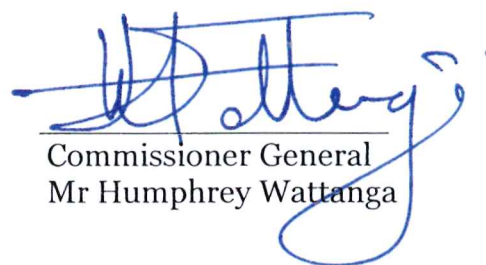
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements



Project Accountant
 CPA. Josephat Omondi
 ICPAK Member Number: 3473



Project Coordinator
 Dr. Lilian Nyawanda

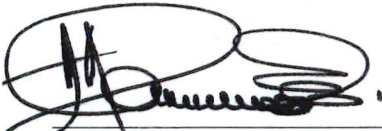


Commissioner General
 Mr Humphrey Wattanga

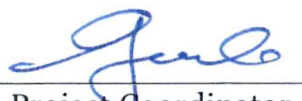
8. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2025

Description	Note	2024/25	1 st July 2024
		KShs '000'	KShs '000'
Assets			
Current Assets			
Cash and Cash equivalents	17	47	51,181
Receivables	18	1,505	-
Inventories	19	-	-
Prepayments	20	-	-
Total Current Assets		1,552	51,181
Non-Current Assets			
Property, Plant and Equipment	21	985,407	638,669
Intangible Assets	22	-	-
Total Non- Current Assets		985,407	638,669
Total Assets (a)		986,959	689,850
Liabilities			
Current Liabilities			
Trade and Other Payables	23	254,061	-
Third Party Deposits	24	-	-
Deferred Income	25	47	12,653
Total Current Liabilities(b)		254,109	12,653
Total Liabilities		254,109	12,653
Net Assets (a-b)		732,850	677,197
Represented By:			
Accumulated Surplus		732,850	677,197
Total Net Assets		732,850	677,197

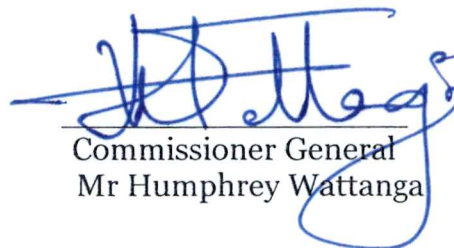
The financial statements were approved on 09/10/2025 and signed by:



Project Accountant
CPA. Josephat Omondi
ICPAK Member Number: 3473



Project Coordinator
Dr. Lilian Nyawanda



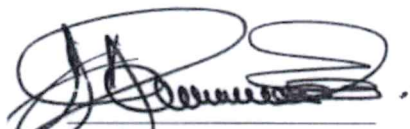
Commissioner General
Mr Humphrey Wattanga

9. STATEMENT OF CHANGES IN NET ASSETS

Description	Accumulated Surplus
	KShs '000'
As at 30th June 2024 (Cash Basis)	51,181
Assets c/d	638,669
Adjustments: (to recognize assets and liabilities)	38,528
Less Deferred Liability	(51,181)
As at 1st July 2024	677,197
Surplus/(Deficit) for the period	55,653
As at JUNE 2025	732,850

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

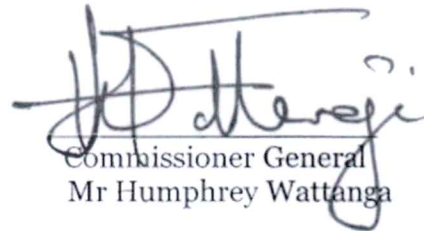
The financial statements were approved onand signed by:



Project Accountant
 CPA. Josephat Omondi
 ICPAK Member Number: 3473



Project Coordinator
 Dr. Lilian Nyawanda



Commissioner General
 Mr Humphrey Wattanga

10. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2025

Description	Note	2024/25 KShs '000'
Cash flow from operating activities		
Receipts		
Revenue Transfers		75,730
Miscellaneous Revenue		-
Total receipts		75,730
Payments		
Employee costs		-
Use of goods and services		28,623
Transfer to other Government Entities		-
Other Transfers/Subsidies/Grants		-
Certified Works		-
Total payments		28,623
Net cash flow from operating activities	26	47,107
Cash flow from investing activities		
Acquisition of non-financial assets		98,240
Proceeds from sale of Assets		-
Acquisition of Intangible assets		-
Net cash flows from investing activities		98,240
Cash flow from financing activities		
Net cash flow from financing activities		-
Net Decrease in cash and cash equivalents		51,133
Cash and cash equivalent at 1st July 2024	17	51,181
Cash and cash equivalent at June 2025	17	47

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
Annual report and Financial Statements for the financial year ended June 30, 2025

11. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2025

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Budget Carry Overs from previous periods	-	-	-	-	-	0%
Revenue						
Opening Balance	51,181		51,181	51,181	-	100%
Transfers- Direct Payments	708,031	(362,331)	345,700	111,997	233,703	32%
Transfers- (Project Funds GOK & IDA)	85,819	-	85,819	75,730	10,089	88%
Total Revenue	845,031	(362,331)	482,700	238,907	243,793	49%
Payments						
Employee costs	-	-	-	-	-	0%
Use of goods and services	28,623	-	28,623	28,623	-	100%
Transfer to other Government Entities	-	-	-	-	-	0%
Other Transfers/Subsidies/Grants	-	-	-	-	-	0%
Certified Works- (Direct payment)	718,168	(362,331)	355,837	111,997	243,840	31%
Certified Works- (Project Acc payment)	98,240	-	98,240	98,240	-	100%
Total Payments	845,031	(362,331)	482,700	238,860	243,840	49%
Surplus or Deficit	-	-	-	47	(47)	0%

Note:

- 1) The statement of Comparison of Budget and Actual Amounts is prepared on Cash basis. There were Direct Payments of Kshs 111,997,080 made within the year and Trade payables of Kshs 254 Million accrued at the end of 30th June 2025.
- 2) The balance above not drawn down of Kshs 243.7 Million relates to the final certificate for contractor (Kashyap Enterprise LTD) and consultant (UON) of which works were completed by 30th June 2025. The payments were processed by the Authority and submitted to the World Bank for payment through Direct Payment on 18th March 2025. These have been paid in FY 2025/26 in September 2025. When this amount is factored the budget utilisation is 100%.
- 3) Budget for FY 2023/24 lapsed at year-end. However project account closing balances as at 30th June 2024 has been disclosed above as opening balance.
- 4) The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.
- 5) The original budget FY 2024/25 was revised downward to Kshs 482,700,000 in the Supplementary I in March 2025.

12. BUDGET RECONCILIATION

Description of Particulars	Amount
	KShs '000'
Actuals surplus amount as per the Statement of Budget	47
Difference	-
Closing Cash and Cash equivalent as per Statement of Cash flow	47

13 NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Eastern Africa Regional Transport, Trade & Development Facilitation Project is established under the supervision of the National Treasury. The Project is wholly owned by the Government of Kenya and is domiciled in Kenya. The key objective of the project is to improve the movement of goods and people along Lokichar – Nadapal/Nakodok part of the Eldoret - Nadapal road in the north – western part of Kenya and to enhance connectivity between Kenya and South Sudan

2. Statement of Compliance and Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

Guiding note during the transition period.

KRA has taken advantage of the transition provision under IPSAS 33 and therefore these 1st year financial statements are transitional financial statements.

These financial statements were authorised for issue by the accounting officer on -----

3. Adoption of New and Revised Standards

i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The standard will have no significant impact on the financial statement because the Project has no non-current assets held for sale</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the</p>

Standard	Effective date and impact:
Operations	<p>depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. The standard will have no significant impact on the financial statement because the Project has no non-current assets held for sale</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. The standard will have no significant impact on the financial statement because the Project did not have any heritage assets or infrastructure assets in FY 2024/25</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i) Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii) Clarifying transaction costs guidance to enhance consistency across IPSAS; iii) Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value. The standard will have no significant impact on the financial statement because there was no measurement on Project</p>

ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

Notes to the financial statements

Standard	Effective date and impact:
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. The standard will have low impact on the financial statement after re-categorisation of revenues.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. The standard will have no significant impact on the financial statement because the Project did not have any Transfer expenses in FY 2024/25
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. The standard will have no significant impact on the financial statement because the Project had no retirement benefit schemes

i) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity’s financial statements.)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits

Notes to the financial statements

or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

Notes to the financial statements

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2024/2025 was approved on July 2024. There was Subsequent revisions of the budget in the supplementary I reducing the budget by 362Million in March 2025. The entity's budget is prepared on a different basis to the actual income and

expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 6 under statement 12 of these financial statements.

c) Property, plant, and equipment

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

Notes to the financial statements

The Authority carried out a revaluation of Computers and Motor Vehicles in May 2024 under Accrual reporting inclusive of Projects assets of the respective classes. The revalued amounts have been disclosed in the statement of position. The valuation was done by internal professional qualified valuers who adopted the depreciated Replacement Cost approach was adopted.

d) Leases

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

Notes to the financial statements

initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

e) Intangible assets

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

f) Research and development costs

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

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

Notes to the financial statements

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

g) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Project does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Project's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a

Notes to the financial statements

financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments.

Notes to the financial statements

Movements in fair value are presented in either surplus or deficit or through net assets/equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument

Notes to the financial statements

that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note g

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through surplus or deficit.

Notes to the financial statements

h) Inventories

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

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Project.

i) Provisions

Provisions are recognized when the Project has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Project expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Project 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.

Notes to the financial statements

Contingent assets

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

j) Nature and purpose of reserves

The Project creates and maintains reserves in terms of specific requirements.

k) Changes in accounting policies and estimates

The Project recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

l) Employee benefits

Retirement benefit plans

The Project provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

Notes to the financial statements

n) Related parties

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

o) Service concession arrangements

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

p) 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 reporting period.

q) Subsequent events

There have been no events subsequent to the reporting period with a significant impact on the financial statements for the period ended June 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period, are described below. The

Notes to the financial statements

Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in **Note 4**

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

Notes to the financial statements

6. Revenue Transfers

During the 12 months to 30th June 2025, KRA received disbursement as follows:

- Kshs 37, 000, 000 of GOK (Counterpart) funds from National Treasury.
- Kshs. 17,832,891 (USD 138,029 @129.20), Kshs. 9,091,457 (USD 70,285 @129.35), Kshs. 11,805,176 (USD 19,304 @129.29) totalling to Kshs. 38,729,524 (USD 299,618) from Donor (IDA- World Bank).
- Kshs 111,997,080 Direct payments made by World Bank.

Disclosed in the table below are the total disbursement received:

Description	Jun-25
	KShs '000'
Unconditional Transfers	
GoK Counter Part funding	-
Transfers from Development partners	-
<i>Other unconditional transfers (Specify)</i>	-
Total Unconditional Transfers (a)	-
Conditional Transfers	
GoK (Counter Part funding)	37,000
Transfers from International Development Association (IDA- World Bank-Direct Payments)	111,997
Transfers from International Development Association (IDA- World Bank-AIA Disbursements to Project Acc)	38,730
<i>Other conditional transfers (specify)</i>	-
Total Conditional Transfers (b)	187,727
Total Transfers for the Period (a +b)	187,727

Notes to the financial statements

a) Details to Revenue Transfers

Name of The Entity Transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred income.	Amount moved to Capital fund	Total transfers (Current Period)
	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'
GoK (Counter Part funding)	37,000	-		37,000
Transfers from International Development Association (IDA- World Bank)	150,727	-	-	150,727
Subtotal	187,727	-	-	187,727
Deferred Income realized	-	-	-	-
Total	187,727	-	-	187,727

7. Miscellaneous revenue

During the financial year to 30th June 2025, no miscellaneous receipts were received.

Description	2024/25
Interest Income	-
Others (specify)	-
Total	-

8. Employees Costs

During the financial year to 30th June 2025, no compensation costs was paid to employees because there were no employees that were assigned to the project on full time basis. The employee handling the project as per the roles & responsibilities indicated in item 1.6 above are Kenya Revenue Authority staff.

Description	2024/25
	KShs '000'
Basic salaries of permanent employees	-
Basic wages of temporary employees	-
Personal allowances paid as part of salary	-
Personal allowances paid as reimbursements	-
Personal allowances provided in kind	-
Pension and other social security contributions	-

Compulsory national social security schemes	-
Compulsory national health insurance schemes	-
Others specify*	-
Total	-

9. Use of Goods and Services

During the 12 months to 30th June 2025, KRA made payment of the following:

- Kshs 27 Million KRA Domestic Travel Payments made during monitoring of Construction of RRU and when travelling to sign MOU between Kenya customs and Southern Sudan Customs
- Kshs 44,225 Bank Charges
- Kshs 7 Million relating to Accrued expenses relating to payables as at 30th June 2025 awaiting GOK funds.

Below are the respective payments as disclosed in the table below:

Description	FY 2024/25 Kshs '000'
Utilities, supplies and services	-
Bank charges	44
Communication, supplies and services	-
Domestic travel and subsistence	27,074
Foreign travel and subsistence	-
Fuel and lubricants	-
General office supplies	-
Stationery, Printing, advertising, and information supplies	-
Office rent	-
Training payments	-
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Other operating payments(Accrued Expenses)	7,312
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance- other assets	-
Total	35,935

Notes to the financial statements

10. Depreciation and Amortization expense

During the 12 months to 30th June 2025, KRA booked Depreciation of Kshs 148,776,983, on PPE

Description	Jun-25 KShs '000'
Property, Plant and Equipment	148,777
Intangible Assets	-
Total	148,777

11. Transfer to Other Government Entities

During the financial year to 30th June 2025, no funds were transferred to other reporting government entities.

Description	2024/25 KShs '000'
Ministry ABC	-
Project XYZ	-
Department xxx	-
County xxx	-
Total	-

12. Other Transfers/Subsidies/Grants

During the financial year to 30th June 2025, no funds were transferred to other reporting government entities.

Description	2024/25 KShs '000'
Transfers to Non-Government Organizations	-
Subsidies	-
<i>Others Specify</i>	-
Total	-

Notes to the financial statements

13. Certified Works

During the financial year to 30th June 2025, KRA paid the Completion Certificates 5 to 9 from Kashyap Enterprises LTD for construction of RRU as per Contract which were capitalised to Assets (Buildings cost) as at 30th June 2025 .

Description	2024/25
	KShs '000'
Road Works	-
Water Works	-
Energy Infrastructure	-
Building Works	-
Total	-

14. Gain/Loss on Sale of Assets

During the financial year to 30th June 2025, there were no sale of Assets.

Description	2024/25
	KShs '000'
Property, plant and equipment	-
Intangible assets	-
Other assets not capitalised	-
Total gain/Loss on sale of assets	-

15. Gain/Loss on foreign exchange transactions

During the financial year to 30th June 2025, KRA incurred Loss on various foreign exchange Transactions as disclosed in the table below:

Description	2024/25
	KShs '000'
Gain on foreign exchange transactions	-
Loss on foreign exchange transactions	-
Total Gain/Loss	-

Notes to the financial statements

16. Impairment Loss

During the financial year to 30th June 2025, there were no Assets impaired.

Description	2024/25
	KShs '000'
Property, Plant and Equipment	-
Intangible Assets	-
Others (specify)	-
Total Impairment Loss	-

17. Cash and Cash Equivalents

Description	2024/25	1 st July 2024
	KShs '000'	Kshs '000'
Cash in Bank	47	51,181
Cash on hand	-	-
Others (Specify)	-	-
Total Cash and Cash Equivalents	47	51,181

As at 30th June 2025, KRA received disbursement of Kshs 37,000,000 of GOK (Counterpart) funds from National Treasury and Kshs. 17,832,891 (USD 138,029 @129.20), Kshs. 9,091,457 (USD 70,285 @129.35), Kshs. 11,805,176 (USD 19,304 @129.29) totalling to Kshs. 38,729,524 (USD 299,618) from Donor (IDA- World Bank).

The project has one bank account as shown below.

Project Bank Accounts

Details	2024/25	1 st July 2024
	KShs '000'	Kshs '000'
Foreign Currency Accounts	-	
Central Bank of Kenya- A/C No 1000243775		-
Total Foreign Currency balances		=
Local Currency Accounts	-	
National Bank of Kenya- A/C No 01020014867900	47	51,181
Total local currency balances	47	51,181
Total bank account balances	47	51,181

Notes to the financial statements

18. Receivables

During the financial year to 30th June 2025, KRA made had the following receivables:

- Kshs. 1.5 Million payments relating to Horn of Africa Project was erroneously paid through EARTTDFP project account and remained as a receivable as at 30th June 2025. These funds were reversed and refunded to EARTTDFP in July 2025 (FY 2025/26)

Description	2024/25	1 st July 2024
	KShs '000'	Kshs '000'
Counter Part Funding	-	-
<i>Other Receivables (from Horn of Africa Project)</i>	1,505	0
Total Receivables	1,505	0

Ageing analysis for Receivables

Description	2024/25		1 st July 2024	
	KShs '000'		Kshs '000'	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,505	100%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	1,505	100%	-	%

19. Inventories

During the financial year to 30th June 2025, there were no Inventories

Description	2024/25	1 st July 2024
	KShs '000'	Kshs '000'
Consumable stores	-	-
Construction stores	-	-
Others consumables (specify)	-	-
Less: allowance for impairment	-	-
Total inventories	-	-

Notes to the financial statements

20. Prepayments

During the financial year to 30th June 2025, there were no Prepayments

Description	2024/25	1 st July 2024
	KShs '000'	Kshs '000'
Insurance	-	-
Rent	-	-
<i>Others specify</i>	-	-
Total inventories	-	-

Notes to the financial statements

21. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Office Equipments, Furniture and fittings	Computers and Laptops	Capital Work in progress	Total
	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Depreciation Rate		2.5%	20%	12.5%	33.3%		
As At 1 July 2024 (opening balances)	47,800	-	75,961	93,657	221,868	199,383	638,669
Additions	-	493,407	-	2,107	-	-	495,515
Disposals	-	-	-	-	-	-	-
Transfers/Adjustments	-	199,383	-	-	-	-199,383	-
As at June 2025	47,800	692,790	75,961	95,764	221,868	-	1,134,184
Depreciation And Impairment							
At 1 July 2024	-	-	-	-	-	-	-
Depreciation charge for the period	483	-	13,673	5,286	129,335	-	148,777
Impairment loss	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-
As at June 2025	483	-	13,673	5,286	129,335	-	148,777

Notes

The Assets opening balances as at 1st July 2025 includes the following adjustments

- 1) Motor vehicles revaluation made as at end of year June 2025 Kshs 9,673,785.
- 2) Office Equipment and Computer capitalised costs excluded Forex loss of Kshs 8,382,161 and Forex gain of Kshs 1,675,232 respectively, which were recognised as finance expense in prior year (on Cash basis).

Notes to the financial statements

22. Intangible Assets

Description	2024/25
	KShs '000'
Cost	
As at 1 st July 2024	-
Additions	-
As at June 2025	-
Amortization and impairment	
As at 1 st July 2024	-
Amortization	-
Impairment loss	-
As at June 2025	-
NBV As at June 2025	-

23. Trade and Other Payables

Supplier of Goods or Services	Invoice no	Invoice Date	Invoice Amount	Comments
			KShs '000'	
Premier Safaris	TIN214403	08.03.2025	357	Air Tickets costs to Turkana for RRU commissioning
Premier Safaris	TIN213249	28.11.2024	356	
Premier Safaris	TIN214088	14.02.2025	224	
ELKA Air Travel & Tours LTD	INV25030112	21.03.2025	194	
Longrock Tours & Travel Ltd	TIN24120383	06.12.2024	137	
Longrock Tours & Travel Ltd	TIN25030532	04.03.2025	1,029	
Quattro Travel Ltd	TIN250300119	26.03.2025	593	
MFI	KEGEA-IN-6220251	25.02.2025	2,556	Photocopiers for RRU offices
Kashyap Enterprises LTD	KRACU0100035001/68-Kainuk	17.03.2025	80,817	Final invoice for completion of construction of RRU awaiting payment by World Bank through Direct payment
Kashyap Enterprises LTD	KRACU0100035001/69-Lodwar	17.03.2025	80,418	
Kashyap Enterprises LTD	KRACU0100035001/70-Kakuma	17.03.2025	80,681	
Supply of Goods				
Sub-Total			247,363	
Supply of Services				

Teeberry Consult	KRA/25/03/2025	24.03.2025	1,866	Branding of RRU
University of Nairobi	CI002829	20.12.2024	4,832	Final invoice for Supervision Consultancy of Construction of RRU
Sub-Total			6,698	
Grand Total			254,060	

Description	2024/25		1 st July 2024	
	KShs '000'		Kshs '000'	
Trade payables	254,061		-	
Employee payables	-		-	
<i>Other payables (specify)</i>	-		-	
Total trade and other payables	254,061		-	
Ageing analysis: (Trade and other payables)	Current Period	% of the Total	Comparative Period	% of the Total
Under one year	254,061	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	254,061	100%	-	

24. Third-Party Deposits

During the financial year to 30th June 2025, there were no Third-party deposits

Description	2024/25		1 st July 2024	
	KShs '000'		Kshs '000'	
Contractor's Retention	-		-	
Gratuity	-		-	
<i>Other deposits (specify)</i>	-		-	
Total deposits	-		-	
Ageing analysis: (Refundable deposits)	Current Period	% of the Total	Comparative Period	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%

Over 3 years	-	%	-	%
Total	-		-	

25. Deferred Income

During the financial year to 30th June 2025, there was deferred income of Kshs 47,198 as disclosed in the table below:

Description	2024/25 KShs '000'	1 st July 2024 Kshs '000'
International Development Agency-World Bank	47	51,181
<i>Others specify</i>	-	-
Total Deferred Income	47	51,181

Deferred Income Movement Schedule

Description	International Development Agency-World Bank	<i>Others specify</i>	Total
	Kshs '000'	Kshs '000'	Kshs '000'
Balance Brought Forward	51,181	-	51,181
Additions	-	-	-
Transfers To Performance Statement as Revenue	(51,133)	-	(51,133)
Balance as at 30th June 2025	47	-	51,181

26. Cash Generated from Operations

Description	2024/25 KShs '000'
Surplus/Deficit for the period	46,683
Adjusted for:	
Depreciation	148,777
Non-cash grants received	(111,997)
Receivable Income not yet received	-
Impairment	-
Gains and (losses) on disposal of assets	-

Working capital adjustments	
Increase in inventory	-
Increase in receivables	-
Decrease in deferred income	(51,133)
Increase in payables	14,777
Increase in payments received in advance	-
Other	
Net cash flow from operating activities	47,107

27. Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2025 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Description	2024/25	1 st July 2024
	USD '000'	USD '000'
Central Bank of Kenya- A/C No 1000243775		
Opening balance	-	-
Total amount deposited in the account	-	858
Total amount withdrawn (as per Statement of Receipts & Payments)	-	858
Closing balance (as per SDA bank account reconciliation attached)	-	-

28. Related Parties Disclosures

Nature of related party relationships

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

Notes to the financial statements

Government of Kenya

KRA is a Government Agency under the National Treasury. Its ultimate parent is the Government of Kenya.

The project did not transaction with any related parties in the financial year as disclosed in the table below.

Description	2024/25
	KShs '000'
Transactions with related parties	
a) Sales to related parties	
Sales of electricity to govt agencies	-
Rent income from govt. Agencies	-
Others (specify) e.g. interest and bank charges	-
Total	-
B) purchases from related parties	
Purchases of electricity from KPLC	-
Purchase of water from govt service providers	-
Rent expenses paid to govt agencies	-
Others (specify)	-
Total	-
b) Grants /transfers from the government	
Grants from national govt	-
Grants from county government	-
Donations in kind	-
Total	-
c) Expenses incurred on behalf of related party	
Payments of salaries and wages for xxx employees	-
Payments for goods and services for xxx	-
Total	
d) Key management compensation	
Directors' emoluments	-
Compensation to key management	-
Total	-

/

Notes to the financial statements

29. Events after the Reporting Period

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

30. Ultimate And Holding Entity

The Eastern Africa Regional Transport, Trade & Development Facilitation Project is established under the supervision of the National Treasury. The Project is wholly owned by the Government of Kenya and is domiciled in Kenya.

31. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

14. ANNEXES

Annex 1: Prior Year Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Timeframe: (Put a date when you expect the issue to be resolved)
Basis of Qualification	<p><u>Unsupported Reallocation of Funds</u> The statement of comparison of budget and actual amount reflects payments final budget of 892,031,000. Review of the financing agreement indicated that the project was funded a total of Kshs 1,411,844,000 to implement ten (10) activities. However, a letter dated 23rd February 2023 from the project manager to the Bank sought consideration and concurrence of reallocation of Kshs 210,637,185 from different activities to construction of rapid response units at Kakuma, Kainuk and Lodwar. However the approvals/concurrence of reallocation of funds by the Bank was not provided for audit. Further, the summary report on provision of enforcement equipment indicates reallocation of funds to construction of rapid response units at Kakuma, Kainuk and Lodwar activity of Kshs 34,833,421. However the approvals for reallocation of funds and the revised activities funding that were no provided for audit.</p>	<p>Management Response The activities supporting KRA under the project fall under Categories 3 of the Financing Agreement, was allocated amounts of SDR 5,553,250.00 (USD 10,900,000) respectively. The cumulative eligible expenditures within KRA category did not exceed the allocated amount. The revision of activities was consistent with the objective of a project is a standard part of project implementation and administration. These changes were ratified at an appropriate time within the project life. In the case of KRA, the effected revisions were discussed with the World Bank, as documented in the aide-mémoires during implementation support missions. KRA was authorized to proceed, and the Project was restructured to reflect this agreement in December 2023. Please find attached communication from the World Bank clarifying the same.</p>	<p>Resolved:- Activity was completed in 31st December 2024</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Timeframe: (Put a date when you expect the issue to be resolved)												
<p>Basis of Conclusion. No 1.0</p>	<p>Low Absorption of Project Funds The statement of comparison of budget and actual amounts reflects actual expenditure on comparable basis of Kshs 406,506,000 against final expenditure budget of Kshs 892,031,000 resulting in underutilisation of Kshs 485,525,000 or 46% of the budget. The low absorption of funds may have significant impact on implementation of planned activities and planned project objectives may not be achieved.</p>	<p>Management Response The expenditure of Kshs.406,506,000 against final expenditure budget of Kshs.892,031,000 and therefore the underutilization of Kshs.485,525,000 or 46% of the budget was attributed to the delay in the construction of the rapid response unit offices in Lodwar, Kainuk and Kakuma attributed to the following:</p> <table border="1" data-bbox="1041 694 1792 1409"> <thead> <tr> <th data-bbox="1041 694 1086 782"></th> <th data-bbox="1086 694 1265 782">DELAY</th> <th data-bbox="1265 694 1792 782">CAUSE</th> </tr> </thead> <tbody> <tr> <td data-bbox="1041 782 1086 973"></td> <td data-bbox="1086 782 1265 973">Introduction of dawn to dusk curfew</td> <td data-bbox="1265 782 1792 973">Security situation escalated and this forced the Cabinet Secretary for Interior and National Administration to impose a dusk to dawn curfew in Kainuk through Legal Notice no. 9. This affected the delivery of materials.</td> </tr> <tr> <td data-bbox="1041 973 1086 1189"></td> <td data-bbox="1086 973 1265 1189">Labour apathy due to insecurity</td> <td data-bbox="1265 973 1792 1189">Works on site were disrupted, as there were two incidences of gunshots exchanges in close proximity to the site. This led to loss of man-hours, as the staff could not work optimally. Additionally, the fear of retaliatory attacks also led to labor apathy as staff were reluctant to work on site</td> </tr> <tr> <td data-bbox="1041 1189 1086 1409"></td> <td data-bbox="1086 1189 1265 1409">Challenges in material acquisition and the El nino rains experienced</td> <td data-bbox="1265 1189 1792 1409">The project has experienced challenges in materials acquisition, which are scarce and have to be hauled from long distances. There has also been delays in delivery of materials as roads are cut off. Also reduction of man working hours.</td> </tr> </tbody> </table>		DELAY	CAUSE		Introduction of dawn to dusk curfew	Security situation escalated and this forced the Cabinet Secretary for Interior and National Administration to impose a dusk to dawn curfew in Kainuk through Legal Notice no. 9. This affected the delivery of materials.		Labour apathy due to insecurity	Works on site were disrupted, as there were two incidences of gunshots exchanges in close proximity to the site. This led to loss of man-hours, as the staff could not work optimally. Additionally, the fear of retaliatory attacks also led to labor apathy as staff were reluctant to work on site		Challenges in material acquisition and the El nino rains experienced	The project has experienced challenges in materials acquisition, which are scarce and have to be hauled from long distances. There has also been delays in delivery of materials as roads are cut off. Also reduction of man working hours.	<p>Resolved:- Activity was completed in 31st December 2024</p>
	DELAY	CAUSE													
	Introduction of dawn to dusk curfew	Security situation escalated and this forced the Cabinet Secretary for Interior and National Administration to impose a dusk to dawn curfew in Kainuk through Legal Notice no. 9. This affected the delivery of materials.													
	Labour apathy due to insecurity	Works on site were disrupted, as there were two incidences of gunshots exchanges in close proximity to the site. This led to loss of man-hours, as the staff could not work optimally. Additionally, the fear of retaliatory attacks also led to labor apathy as staff were reluctant to work on site													
	Challenges in material acquisition and the El nino rains experienced	The project has experienced challenges in materials acquisition, which are scarce and have to be hauled from long distances. There has also been delays in delivery of materials as roads are cut off. Also reduction of man working hours.													

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments		Timeframe: (Put a date when you expect the issue to be resolved)
No. 2.0	<p>Acquisition of Non-financial Assets Statement of receipts and payments reflect acquisition of non-financial assets of Kshs 346,352,000 as disclosed in Note 8 to the financial statements. The following anomalies were noted:</p>	<p>Delays in Allocation of Land</p>	<p>The process of acquiring land from the County Government of Turkana took a while. This is due to the long processes of land acquisition</p>	
No. 2.1	<p>No 2.1:- Construction of Buildings The expenditure on acquisition of non-financial assets includes Kshs. 219,974,000 is in respect of construction of buildings. Examination of records revealed that the Authority had a running contract on construction of rapid response units in Kakuma, Lodwar and Kainuk. The contract period which was to expire on December, 2023 was extended to December, 2024. Examination of payments, project management and implementation records and physical</p>	<p>UPDATE AS AT 30TH JUNE 2025 KRA fast tracked the implementation of the project addressing the issues that had been affecting the project. As at 31st December 2024, Construction works of Rapid Response Units (RRU) was at 100% implementation, with all the project components implemented.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>verification carried out in the month of October 2024 indicated the following:</p> <p><u>No 2.1.1:- Rapid Response Units Office Constructions at Kakuma</u> Included in the construction of buildings costs of Kshs.219,974,000 is Kshs.71,782,803 in respect of Kakuma RRU. Physical verification and review of the project records indicated the following.</p>		
	<p>i) The bills of quantities provided for concrete interlocking paving slabs for the footpaths, paved driveway and walkways at a cost of Kshs.587,760 which was varied by Kshs3,805,102 and substructure with raft foundation at a provisional cost of Kshs 14,746,488 varied by an additional amount of Kshs 17,400,438. The project management indicated that the variation was occasioned by the site's soil nature. However, the management did not explain why the items were originally omitted in the original bills of quantities whereas the engaged consultant had visited the site for investigation before design.</p>	<p>Management Response The soil in Kakuma is generally loamy soil and this has a tendency to shrink and swell excessively. The swelling and shrinkage would result in differential settlement of the paving slabs as proposed. The CBR value for the samples ranged from a value of 2 upwards which indicate very poor material. To forestall any differential settlement in the foundation it was found necessary to reduce the pressure on the ground. This would be solved by using a safe bearing pressure of 80KN/M2 in the design. Hence the need to redesign the walkways Attached is the detailed BQ for the works.</p>	<p>Resolved:- Activity was completed in 31st December 2024</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Timeframe: (Put a date when you expect the issue to be resolved)
	ii) Further , the revised drawings for the raft beams indicated 12(twelve no.) beam 5A with 14797mm length while the beam layout drawing only had (two no.) of the 14797mm length beams. Calculation of ribbed bar high yield steel and reinforced concrete was done using the 12 no. raft beam-quantities, which may have resulted in inflated variation amount and over payment.	There was an error in drafting of the drawings and we note that the contract is based on actual measurements done on site as per clause 12.3 and this guided the process. We, note the quantities were remeasured as per works executed on-site (Beam 5A – was remeasured as 2No with 14797mm as executed on-site).	Resolved:- Activity was completed in 31 st December 2024
	iii) Review of the term of reference (TOR) in the contract between the University of Nairobi (project consultant) and the Authority revealed that the consultant was to carry out investigations to ascertain and identify the soil conditions and characteristic of the land parcel with drilling and recovery to minimum of 15m below ground level at not less than 8 locations and excavation of trial pits being a minimum requirement. The variation after excavation from strip level and discovery of unstable soil conditions is a pointer that the consultant did not undertake the TOR provision to enable the correct structural design	Management Response The consultant undertook the Geotechnical investigation and submitted a copy to the client	Resolved:- Activity was completed in 31 st December 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>for the foundation thus occasioning the variation.</p> <p>iv) Interim payment certificate (IPC) number 4 dated April 2024 included materials on site of Kshs.9,336,844. However, audit inspection of the stock records at Kakuma RRU construction site indicated variances of Kshs.3,205,114 with the quantities provided in IPC no. 4.</p>	<p>Management Response For every payment certificate the stock on site is signed off by the Contractor, Clerk of works and the client after joint verification, the signed materials is found in page 102 of IPC 4 and a copy is attached below. The materials as captured in certificate no 4, done in April 2024 had been consumed into the works by the time of the audit which was conducted in October 2024.</p>	<p>Resolved:- Activity was completed in 31st December 2024</p>
	<p>No 2.1.2:- Rapid Response Units Office Constructions at Lodwar Included in the construction of buildings costs of Kshs.219,974,000 is Kshs.71,554,664 in respect of Lodwar RRU. Physical verification and review of the project records indicated the following.</p> <p>i) The bills of quantities provided for concrete interlocking paving slabs for the footpaths, paved driveway and walkways at a cost of Kshs.562,960 which was varied by Kshs.3,009,504 and substructure with raft foundation at a provisional cost of Kshs 14,697,068 varied by an additional amount of Kshs 19,935,247. The project management indicated that</p>	<p>Management Response The consultant undertook the Geotechnical investigation and submitted a copy to the client The soil in Lodwar is basically silty sand which is quite loose and porous making it unsuitable for construction. In the presence of a high water table it would become quite weak. To aid in the reduction of the pressure of the subgrade a safe bearing capacity of 80KN/M2 was utilized. Hence the need to redesign the walkways Attached is the detailed BQ for the works.</p>	<p>Resolved:- Activity was completed in 31st December 2024</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>the variation was caused by the site's soil nature which could not hold the structure. However the management did not explain why the items were originally omitted in the original bills of quantities whereas the engaged consultant had visited the site for investigation before design.</p>		
ii)	<p>Further, the revised drawings for the raft beams indicated 12(twelve no.) beam 5A with 14797mm length while the beam layout drawing only had 2(two no.) of the 14797mm length beams. Calculation of ribbed bar high yield steel and reinforced concrete was done using the 12 no.raft beam quantities which may have resulted in inflated variation amount and over payment.</p>	<p>There was an error in drafting of the drawings and we note that the contract is based on actual measurements done on site as per clause 12.3 and this guided the process. We, note the quantities were remeasured as per works executed on-site (Beam 5A – was remeasured as 2No with 14797mm as executed on-site).</p>	<p>Resolved:- Activity was completed in 31st December 2024</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>iii) Review of the term of reference (TOR) in the contract between the University of Nairobi (project consultant) and the Authority revealed that the consultant was to carry out investigations to ascertain and identify the soil conditions and characteristic of the land parcel with drilling and recovery to minimum of 15m below ground level at not less than 8 locations and excavation of trial pits being a minimum requirement. The variation after excavation from strip level and discovery of unstable soil conditions is an indication that the consultant did not undertake the TOR provision to enable the correct structural design for the foundation thus occasioning the variation</p>	<p>Management Response The consultant undertook the Geotechnical investigation and submitted a copy to the client</p>	<p>Resolved:- Activity was completed in 31st December 2024</p>
<p>No. 2.2</p>	<p><u>Delay in Completion of the project</u> Review of the project financing agreement revealed that the financing agreement was extended to 29 December, 2023. Further, a letter to the Cabinet Secretary to The National Treasury and Economic Planning dated December 18, 2023 communicated extension of the project closing date to December 31, 2024. Records provided for</p>	<p>Management Response. The contractor requested for extension of the project implementation time as shown in the attachment below. We note however, this was not among the requested documentation during the audit.</p>	<p>Resolved:- Activity was completed in 31st December 2024</p>

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
 Annual Reports and Financial Statements for the Period ended June. 30, 2025

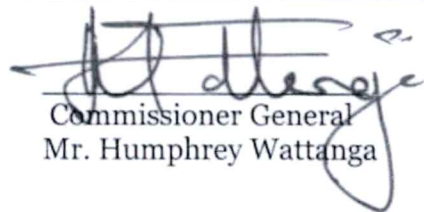
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Timeframe: (Put a date when you expect the issue to be resolved)
	audit indicated the following: i) The Authority communicated to the contractor on 14 December 2023 on the contract extension to 29 December 2024 six months being completion of works timeline and 6 months defects liability period. However, the management did not provide details of a request from the contractor for extension of the project implementation time with a justification as required by the contract agreement.		
	ii) Physical inspection of the project in the month of October 2024 indicated that the project was estimated at 70% completion a fact confirmed by a project status report dated 30 September 2024. This a clear indication that the project had not reached practical completion and therefore there was delay by the contractor. However, evidence of demand of payment of liquidated damages from the contractor as provided for under clause 8.7 of the contract was not provided for audit. In the circumstances value for money on expenditure on acquisition of non-	<p>Management Response</p> <p>-Liquidated damages is applicable in the case where there is no extension of the contract. In our case, this was not applicable as there was an extension of the contract.</p> <p>-Kshs 346,352,000 related to Construction of RRU (Kshs 219M) and other assets (Kshs 127M). As at 31st December 2024 the construction of RRU was complete and other assets already delivered, The Authority has therefore received value for money.</p>	<p>Resolved:-</p> <p>Activity was completed in 31st December 2024</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Timeframe: (Put a date when you expect the issue to be resolved)
	financial assets of Kshs 346,352,000 could not be confirmed.		
No. 3.0	<p><u>Irregularities in Training Expenditure</u></p> <p>The statement of receipts and payments reflect purchase of goods and services of Kshs.60,153,000 out of which Kshs.40,893,000 is in respect of training as disclosed in Note 6 to the financial statements. Review of training records revealed that Senior Management Leadership and advance management programs were offered for 11 staff at a cost of Kshs 11,901,603 by an institution engaged through direct procurement. Management indicated that the institution had exclusive rights for the courses offered to the Authority's senior management. However, the management did not provide evidence that the same could not have been provided by the Authority's own institution (KESRA) Kenya School of Government that offers Senior Management and Leadership courses to Government Entities or other Private institutions. Further, the direct procurement was not reports to Public Procurement Regulatory Authority (PPRA) as required by PPRA Circular No. 01/2021 of 22nd April 2021.</p>	<p>Management Response</p> <p>KRA engaged Strathmore Business School based on the following;</p> <p>a. The program was donor-funded by the World Bank, and approval had been granted for the Authority to proceed with the program at Strathmore Business School, as per the attached "No Objection" document. The "No Objection" approval was granted by the donor after an assessment determined the prudent use of funds.</p> <p>b. The SLMP and AMP leadership programs are designed for Chief Managers and Deputy Commissioners, unlike the SLDP and transformative training programs, which target managers. KESRA is the premier training school for technical revenue training and not the AMP/SLMP.</p> <p>c. Strathmore Business School has exclusive rights to the training content for the SLMP and AMP programs, and therefore, the programs could not have been offered by either KESRA or KSG.</p> <p>The procurement for senior leadership management training was progressed pursuant to the multilateral agreement between the Government of Kenya and the World Bank ("the financing agreement").</p> <p>Under section 4 (2) of the Public Procurement and Assets Disposal Act, 2015 (PPADA, 2015) the provisions of the Public Procurement Act are not</p>	<p>Resolved:-</p> <p>Procurement for Trainings under World Bank are done in compliance with Work Bank Procurement Regulations.</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>In the circumstances, the Management was in breach of the Law.</p>	<p>applicable to Donor funded procurements. The said section is reproduced below:</p> <p>PPADA 2015, section 4(2) "For avoidance of doubt, the following are not procurements or asset disposals with respect to which this Act applies—(f) procurement and disposal of assets under bilateral or multilateral agreements between the Government of Kenya and any other foreign government, agency, entity or multilateral agency unless as otherwise prescribed in the Regulations".</p> <p>As a matter of internal control and organisational procedure, the procurement progressed under Direct procurement KRA/HQS/DP -086/2021 – 2022 with all internal steps being adhered to. The reporting to PPRA being a PPADA requirement was not applicable and hence no justification for the training irregularity cited.</p> <p>Additionally, the applicable procurement law for the project is the World Bank's "Procurement Guidelines: Procurement of Goods, Works, and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2024), as stipulated in the Financing Agreement of the project."</p>	


 Commissioner General
 Mr. Humphrey Wattanga


 Project Coordinator
 Dr. Lilian Nyawanda

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
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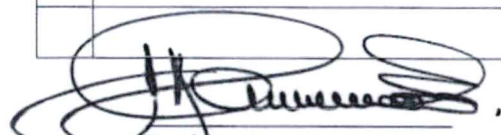
Annex 2: Variance Explanations - Comparative Budget And Actual Amounts

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance(below 90% and over 100%)
	KShs '000'	KShs '000'	KShs '000'		
	a	b	c=a-b	d=b/a %	
Budget Carry Overs from previous periods	-	-	-	0%	Budget for FY 2023/24 lapsed at year-end. However, project account closing balances as at 30 th June 2024 is disclosed as opening balance.
Revenue					
Opening Balance	51,181	51,181	-	100%	1) Project balance B/F was utilised in FY 2024/25
Transfers- Direct Payments	345,700	111,997	233,703	32%	2) KRA was to utilise Kshs 234M funds on direct payment of the Final Invoice for Construction of RRU and Consultancy of supervision by World Bank. The invoices were partly paid by 2.4M and the balance is pending payment as at 30th June 2025
Transfers- (Project Funds GOK & IDA)	85,819	75,730	10,089	88%	3) KRA was utilise Kshs 10M of GOK to pay invoices for Branding and Travel which are still outstanding as end June 2025. KRA utilised 11M of GOK Funds to pay for Taxes relating to the RRU construction final invoices which was to be refunded from IDA funds from World Bank. However the invoices are still awaiting direct payment by WB as at June 2025
Total Revenue	-	-	-	-	
Total Receipts	482,699	238,907	243,792	49%	
Payments					
Employee costs	-	-	-	0%	
Use of goods and services	28,623	28,623	-	100%	
Certified Works- (Direct payment)	355,837	111,997	243,840	0%	4) KRA was to utilise Kshs 234M funds on direct payment of the Final Invoice for Construction of RRU and Consultancy of supervision by World Bank. The invoices were partly paid by 2.4M and the balance is pending payment as at 30th June 2025
Certified Works- (Project Acc payment)	98,240	98,240	-	0%	
Total Payments	482,700	238,860	243,840	49%	Final RRU construction, Consultancy, Branding and Travel Invoices Pending payment through World Bank Direct payment. The matter has been escalated to National Treasury and World Bank to facilitate the funds to clear the Payables and close the project account.

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
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Annex 3: Reconciliation of inter-entity transfers

Project Name:			
Break down of transfers from the State Department of XXX			
a. Government Counterpart funding			
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		-	
		-	
	Total	-	
B. Direct payments			
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		-	
	Total	-	
C. Others			
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		-	
		-	
	Total	-	
	Total (A+B+C)	-	


 Project Accountant
 CPA. Josephat Omondi
 ICPAK Member Number: 3473


 Project Coordinator
 Dr. Lilian Nyawanda

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
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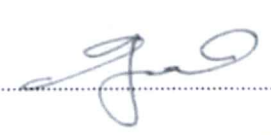
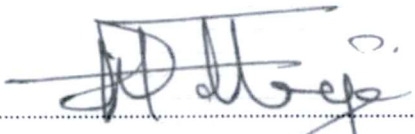

Annex 3: Fixed Asset Register

Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Revaluation adjustment during the year	Transfers in/(out) during the year	Historical Cost c/f
	KShs '000'	KShs '000'	KShs '000'	KShs '000'		KShs '000'
	2024-25					2024-25
Land	47,800	-	-	-	-	47,800
Buildings and structures	-	-	-	-	-	-
Transport equipment: (Motor vehicles & Forklifts)	85,635	-	-	(9,674)	-	75,961
Office equipment, furniture and fittings (Office Equipments & Furniture for RRUs)	57,555	-	-	-	-	57,555
ICT Equipment, (Computer infrastructure & Software at Kilindini Port. and Laptops & Screens)	220,193	-	-	1,675	-	221,868
Other Machinery and Equipment (Enforcement Equipments)	44,484	-	-	(8,382)	-	36,102
Heritage and cultural assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Infrastructure assets roads,	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Work in Progress	237,573	-	-	(38,190)	-	199,383
Total	693,241	-	-	-54,571	-	638,669

Annex 4: Other Support Documents

- i. Bank Reconciliations statement as at 30th June 2025
- ii. Board of Survey Report
- iii. Special Deposit Account(s) reconciliation statement(s)

APPENDIX i : BANK RECONCILIATION PROJECT ACCOUNT NATIONAL BANK OF KENYA AS AT 30TH JUNE 2025.

MINISTRY: IMPLEMENTING AGENCY PROJECT NAME: IDA CREDIT: REPORT: Bank and Branch Account No. PERIOD OF REPORT: CURRENCY:		FINANCE KENYA REVENUE AUTHORITY EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT No. 56380KE Bank Reconciliation Statement National Bank of Kenya Ltd - Times Tower Nairobi 01020014867900 Period ending 30th June 2025 Kenya shilling		
		<u>Note.</u>	<u>Kshs</u>	<u>Kshs</u>
01/07/2024	Balance b/fwd			51,180,695
Add:	Receipts		75,729,523.98	
	Interest		-	75,729,524
	Total Receipts			126,910,219
Less:	Bank charges as at 30/06/2025		44,225.00	
	Payments as at 30/06/2025		126,818,795.63	126,863,021
	Unpresented cheque			-
30/06/2025	Balance as per bank statement			47,198
KENYA REVENUE AUTHORITY PROJECT A/C 01020014867900			<u>Kshs</u>	<u>Kshs</u>
30/06/2025	Balance per Bank Statements			47,198
	Add:			
30/06/2025	Receipts in cash book not yet credited by Bank			
30/06/2025	Payments in Cashbook not Bank statement			
	Deduct:			
30/06/2025	Cheques not debited by Bank (Unpresented cheques)			
30/06/2025	Receipts in bank statement not in the cash book			0
	Balance per Cash Book			47,198
	Notes:			0
CPA. Josephat Omondi Head of Finance Project Accountant - ICPAK Member No. 3473	 		
Dr. Lilian Nyawanda Project Coordinator	 		
Mr. Humphrey Wattanga Project Sponsor Commissioner General	 		



EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
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APPENDIX ii : BOARD OF SURVEY

Bank Reconciliation 2.1

MINISTRY: THE NATIONAL TREASURY
IMPLEMENTING AGENCY: KENYA REVENUE AUTHORITY
PROJECT NAME: EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
IDA CREDIT: NO. 5638KE
REPORT: Bank Reconciliation Statement
Bank and Branch: National Bank of Kenya Ltd - Times Tower Nairobi
Account No: 7730062779
PERIOD OF REPORT: 30TH JUNE, 2025

		Kshs	Kshs
01/06/2025	Balance b/fwd		1,667,115.92
	Receipts		
	Interest		
	Total Receipts		1,667,115.92
	Less		
	Bank charges as at 30/06/2025	805.00	
	Payments as at 30/06/2025	1,619,113.35	1,619,917.85
	Unpresented cheques		
30/06/2025	Balance as per bank statement		47,196.07
KENYA REVENUE AUTHORITY			
PROJECT A/C 01020014967900			
		Kshs	Kshs
30/06/2025	Balance per Bank Statements		47,196.07
	Add		
30/06/2025	Receipts in cash book not yet credited by Bank		
30/06/2025	Differences in bank statement and not in the cash book		
	Defect:		
30/06/2025	Cheques not debited by Bank (Unpresented cheques)	0.04	
30/06/2025	Receipts in bank statement not in the cash book		0.04
	Balance per Cash Book		47,196.03
NOTE:			

	NAME	DESIGNATION	SIGNATURE	DATE
Prepared by:	George Ouya	Supervisor		01/07/2025
Approved by:	Alex Mwangi	Asst. Manager		01/07/2025

Board of Survey
1. Hassan Mwangi P/no 6292 this 01st July 2025 Supervisor
2. Tony Mwangi P/no. 7626 this 01/07/2025 - Officer

BOARD OF SURVEY ((CONTINUATION))



National Bank of Kenya Limited
Head Office, National Earth Building
Harambee Avenue,
P.O. Box 71896 - 00200 Nairobi, Kenya
Tel: +254 (0) 20 - 2821000
Toll: +254 (0) 111 - 010000
Email: naib@nationalbank.co.ke
Website: www.nationalbank.co.ke

01 JULY 2025

KCA 30

CERTIFICATE OF BALANCE

Certified that the balance of Account of KRA EARTIDFP

A/C NO. 01020014867900 as at 30.06.2025 is KSH 47,198=07

Read: KES. Forty-seven thousand, one hundred ninety-eight, cent seven only

Examined by: _____

Customer service

Branch Operations Manager

Board of Survey
1. Wilson Kiene Mutiga pho 6622 pho 01/07/2025
2. Tony Muma pho. 7626 pho 01/07/2025

Public Data

regulated by the Central Bank of Kenya

EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT
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APPENDIX iii: BANK RECONCILIATION SPECIAL DEPOSIT ACCOUNT CENTRAL BANK OF
 KENYA AS AT 30th JUNE 2025

MINISTRY:	FINANCE			
IMPLEMENTING AGENCY:	KENYA REVENUE AUTHORITY			
PROJECT NAME:	EASTERN AFRICA REGIONAL TRANSPORT, TRADE & DEVELOPMENT FACILITATION PROJECT			
IDA CREDIT:	No. 56380KE			
REPORT:	Bank Reconciliation Statement			
Bank and Branch:	Central Bank of Kenya LTD			
Account No.:	1000243775			
PERIOD OF REPORT:	Period ending 30th June 2025			
CURRENCY:	US Dollar			

	Note.	USD	USD
01/07/2024	Balance b/fwd		-
Add:	Receipts	299,616.24	299,616
	Interest		299,616
	Total Receipts		299,616
Less:	Payments as at 30/06/2025	299,616.24	299,616
	Unpresented cheque		
30/06/2025	Balance as per bank statement		-

CPA. Josephat Omondi Head of Finance Project Accountant - ICPAK Member No. 3473	
Dr. Lilian Nyawanda Project Coordinator	
Mr. Humphrey Wattanga Project Sponsor Commissioner General	