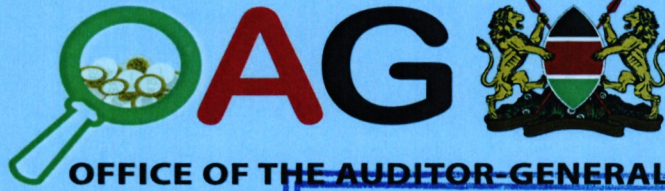


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ON

**DUALLING OF NAIROBI - DAGORETTI
CORNER ROAD C60/C61 (PHASE 1)
PROJECT - JICA GRANT AGREEMENT
NO. 1260210**

**FOR THE YEAR ENDED
30 JUNE, 2020**

KENYA URBAN ROADS AUTHORITY





THE PROJECT FOR DUALLING OF NAIROBI – DAGORETTI CORNER ROAD C60/C61 (PHASE 1) -
KENYA

IMPLEMENTING ENTITY: KENYA URBAN ROADS AUTHORITY (KURA)

PROJECT FINANCING GRANT AGREEMENT NUMBER: 1260210 OR
JICA VERIFICATION REF. NO. 24-VJ-174

FINAL ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official title is: The Project for Dualling of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) - Kenya

Objective:

The objectives of the project are;

- a) Reduction of transportation costs by improvement of road status within the Nairobi Capital Area
- b) Assuring safe and smooth traffic flow within sections from West to East of Nairobi City Area
- c) Reduction of transport costs by easing traffic congestion
- d) Assuring convenience and safety of pedestrians' mobility by provision of Non-Motorised Traffic (NMT) facilities such as walkways, cycle lanes, crossings etc.
- e) The overall objective of the project is to attain a sustainable and safe road network that facilitates economic growth and the improvement in living standards.

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

The address of its registered office is:

Kenya Urban Roads Authority,
 P.O Box 41727-00100,
 Barabara Plaza, Mazao – Off South Airport Road, KJIA
NAIROBI.

Contacts: The following are the project contacts

Telephone: (254) (02) 8013844
 E-mail: info@kura.go.ke
 Website: www.kura.go.ke

1.2 Project Information

Project Start Date:	18 th February, 2016
Project End Date:	31 st July, 2017
Project Manager:	Eng. D.G. Muchiri
Total Project size	2.57Km
Contract Sum (Roads Works Contract)	JPY 1,454,900,000 Equivalent to: Ksh. 1,341,943,019
Supervision Consultancy Contract	JPY 110,930,000 Equivalent to: Ksh. 102,317,505

Site clearance and relocation of water and sewerage pipelines	Ksh. 261,000,000 (GoK Component = 100%)
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1.3 Project Overview

Line Ministry/State Department of the project	The project is under the Ministry of Transport, Infrastructure, Housing and Urban Development. The implementation entity is Kenya Urban Roads Authority (KURA)
Project number	CONTRACT No: GA1260210 OR Ver No. 24-VJ-174 SERVICE CONTRACT No.: 24-VJ-121B
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> (i) It contributes to implementation of the Economic Recovery Strategy (March, 2004), which set forth development of basic infrastructure as one of the issues for ‘promoting economic development’. The development of road network within Nairobi City, the capital of Kenya, is an urgent issue, with especially priority to upgrading and maintenance of from the West of the City to the City Centre (ii) Implementation of the Master Plan Urban Transport in the Nairobi Metropolitan Area (2006-2025) report published in March 2006 (JICA – funded) which proposes the development of a hierarchical and functional road network by introducing bypass roads, radial/circumferential/arterial routes to improve traffic operations and alleviate congestion within the city and its outskirts. (iii) Implementation of Nairobi Integrated Urban Development Plan (NIUPLAN 2015) which proposes the road network to be developed to strengthen linkage in CBD (CBD and the railway city, and other areas), to promote smooth traffic flow and alleviate the current poor and partial road connectivity that cause heavy traffic concentration to particular roads and results in traffic congestion. One of the roads being Ngong Road. (i) Attain a sustainable and safe road network that facilitates economic growth and the improvement in living standards.

Other important background information of the project

Activities under the component	Category	Total Million (Kshs.)	JYP Million	Gok Million (Kshs.)
a) The Project for Dualling of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1 and Non-Motorised Transport Facilities – Kenya (2.57Km of urban roads)	Works	JPY 1,454.9 (KES 1,342)	1,454.9	0
b)Supervision Services of widening and Dualling of Ngong Road and Non-Motorised Transport Facilities – Kenya	Consultancy	JPY 110.93 (KES 102.32)	110.93	0.00
c) Relocation of utility services (water sewer & structures (GoK)	works	Ksh. 261	0	261
d) Relocation of electricity (GoK)	works	Ksh. 38.9		38.9
Total			1,555.93	399.9

1.4 Bankers

The following are the bankers for the current year:

(i) Special Accounts

The project has no special deposit accounts

(ii) Other accounts

By National Bank of Kenya

1.5 Auditors

The project is audited by the Office of the Auditor General.

1.6 Project Governance

The Project's governance framework requires the stakeholders to uphold the highest professional, ethical, moral and legal standards. This is achieved through effective segregation of duties with clear checks and balances as articulated in the Project Loan/Credit Agreement, the PFM Act, 2012, the Project Design Report, the Implementation Manual and the Finance and Procurement Manuals.

1. The Project Steering Committee (PSC)

This Committee is responsible for overseeing the implementation of the Project, approving the annual work plan and budget, and ensuring that the activities are in compliance with the donor and government policies.

2.JICA

These are the project sponsors. They are responsible for reviewing and approving the project's withdrawal applications, expenditure justifications, no objection requests, reviewing and approving the annual work plan and budget, expenditure category reallocation request, and participating in implementation support missions.

3.The Parent Ministry (Ministry of Transport Infrastructure & Urban Development)

The parent ministry ensures that the Project's budget is captured in its development projects and disburses the government counterpart funding. The ministry reviews and tracks the Project's annual work plan and budget against the set targets and makes the approvals. The parent ministry also oversees the execution of the project coordinating team.

4.The Auditor

The Supreme Audit Institution in Kenya, that is, the Office of the Auditor General, is mandated by the Constitution of Kenya Chapter 12, Part 6, Article 229 which establishes the Office of the Auditor General. Chapter 15, Article 248, Section 3 and Article 249, Section 2 (a) and (b) and section 10 of the Public Audit Act, 2015 provide for the independence of the Office of the Auditor General.

The Auditor General is mandated to audit all national government entities, which include government development projects and present these statutory financial statements to the Parliament. This facilitates the submission of the audited report to the project's sponsors by 31 December each year.

5.Project Coordinating Team (PCT)

This team is based in Nairobi and is responsible for the project management and coordination functions. The PCT comprises of the Project Manager and a team of Technical Officers. The PCT is also supported by other administrative staff.

This key staffs, who form the project coordinating team that is involved in the day to day management of the project and its implementation are:

The Project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) -Kenya
Project Financing Grant Number: 1260210
Reports and Financial Statements For the financial year ended June 30, 2020

The following is a list of Project Implementation Team:

Name	Key qualification	Title/ Designation	Responsibilities
Eng. Silas Kinoti	BSc. Civil Eng., Reg. Eng. EBK, MIEK	Director General	Overall Responsibility - Overall responsibility of the project being the chief executive officer of the implementing agency.
Eng. D.G. Muchiri	BSc. Civil Eng., Reg. Eng. EBK, MIEK	Project Manager	Project Team leader - Overall management and monitoring of all projects - Undertake contract negotiations - Ensure reports are prepared and submitted on time - Liaise with JICA on project activities
Eng. M.Y. Teliyeny	MBA, BSc. Civil Eng., Reg. Eng. EBK, MIEK	Project-Manager Liaison Officer	- Preparation of plans & budgets - Link between KURA the implementation teams (Consultants and the Contractors) - Resident Engineer for the GOK relocation works - Monitor projects progress

1.7 Funding summary

The Project covers duration of 17.6 Months (530 days) from 18th February, 2016 to 31st July, 2017 with an approved budget of JPY 1,454,900,000 equivalent to Kshs 1,341,943,019.

Below is the funding summary:

Source funds	of	Donor Commitment-		Amount received to date – (30/06/ 2020)		Undrawn balance to date (30 06 2020)	
		Donor currency	KShs	Donor currency	KShs	Donor currency	KShs
		(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant							
JICA		1,454,900,000	1,341,943,019	1,454,900,000	1,341,943,019	-	-
Total		1,454,900,000	1,341,943,019	1,454,900,000	1,341,943,019	-	-

1.8 Summary of Overall Project Performance:

a) Budget performance

The Project is complete hence there was no budgetary provision in the reporting year.

b) Physical progress

The project is 100% complete and is in use.

c) Value-for-money achievements.

Upon the completion of the project, benefits have been realised by both motorists and pedestrians through reduced travel time and enhanced safety on the roads evidenced by reduced traffic accidents.

d) Implementation challenges

Some of the implementation challenges such as vandalisms, encroachment of the road corridor have been addressed through partnerships with the various security agencies.

1.9 Summary of Project Compliance:

The project has ensured that all activities carried out are within the laws of the republic of Kenya and that all Regulations and procedures have been adhered to. Among the regulations include Environmental and Social Impact Assessment (ESIA) for which the Authority was issued with certificate of compliance for the implementation of the project. In cases of inconsistency between the GOK regulations and those of the development partners, the latter have been applied.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT’S PREDETERMINED OBJECTIVES

Nairobi, the capital and largest city in the Republic of Kenya (Kenya), which suffers the escalation of traffic congestion because the development of road network and public transport does not meet the growth of its population and the increase of traffic volume. The project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) –Kenya is complete. The implementation of the project has met its intended objectives.

The key development objectives of the project’s 2018-2022 plan are to:

- a) Reduction of economic losses
- b) Reduce vehicle related pollution such as air pollution and noise pollution
- c) Reduce / Eliminate risk-taking behaviours such as vehicle’s wrong way run and passing over sidewalks during traffic congestions.

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-bund (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
The Project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) -Kenya	Reduce economic losses	Losses both on time and fuel through traffic snurl-ups has gone down	Traffic surveys suggest the project has eliminated losses tremendously.	Increased travel experience.
The Project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) -Kenya	Reduce vehicle related pollution such as air pollution and noise pollution	There is a reduction in noise and air pollution	Few complains for noise and air pollution	Smooth drive along the road is a good indicator
The Project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) -Kenya	Reduce / Eliminate risk-taking behaviours such as vehicle’s wrong way run and passing over sidewalks during traffic congestions	Reduced accidents and traffic offences	Few incidences reported.	Motorist discipline has been enhanced.

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

1. Sustainability strategy and profile

An adequate and quality road network is an important prerequisite for facilitating national and regional integration, promoting trade, economic development, contributing to poverty reduction and wealth creation and for achieving the objectives of Kenya Vision 2030 and beyond. Over the last two decades the Roads Sub-sector has undergone tremendous reforms aimed at providing a high quality road network to support Kenya economic development.

(i) Strategic direction

A Strategic plan is key in determining the general direction of any institution. It provides the long term goals of the organization and by extension its sustainability. A clear vision, mission and measurable goals secures the future. The 2018-2022 strategic plan is set out on the Authority's core mandate with clear and measurable targets. The plan is regularly reviewed to determine new opportunities and risks.

(ii) Financial sustainability

Infrastructure development and maintenance is a capital intensive investment that requires enormous resource outlay by the government. To effectively fulfill its mandate, the Authority requires adequate resources for maintenance of the existing road network and development of new roads to enhance urban mobility and reduce travel time and the related costs to the economy.

Kenya Urban Roads Authority relies fully on the government and development partners' grants in undertaking its mandate. Despite the National Governments commitment in investment in the road infrastructure, funding for urban roads development and maintenance remains a major challenge for the Authority based on the budgetary allocations against the Authority's resource requirements.

Road maintenance Levy which is the main source of funding for maintenance of roads has been increasing progressively owing to the increased importation of vehicles in the country over the years. In 2016 the government increased the levy from Ksh 12 to Ksh 18 per litre of petrol/diesel. However even with this increase the funds are still inadequate due to backlog in road maintenance.

The Kenyan Government's commitment on development continues to be seen through the improved budgetary allocation to the road sector for developmental projects. However, even with the increased allocation, there is still exists gap between financial resources available and the escalating urban road network demand driven by growing urban population. In its efforts to bridge the funding gap, the government has been considering alternative funding mechanisms including long term infrastructure bonds, public private partnerships as well as additional levies and licenses. The annuity programme whose objective is to bring on board the private sector in financing of the road infrastructure is in the piloting phase with two roads under negotiation.

The Authority maintains a good relationship with the development partners by ensuring prudent utilization of the resources and compliance with the financing agreements.

(iii) Human Resource

Human capital is a key resource in the efficient execution of the authority's mandate. Inadequate staffing remains a challenge and has an impact on the Authority's performance. At the end of the financial year, the Authority had a total of 281 staff members in post against the approved optimum establishment of 638. This is equal to 44% of the approved establishment. Recruitment is hampered by the available resources.

The average age for the Authority's workforce is 35 years old with the majority (48%) falling in the age bracket of 35- 45 years. Those below 35 years accounts for 21% of the workforce while 31% is between 46-60 years old. The authority has an elaborate succession plan in place. Acting opportunities, promotions and sponsored training are given to eligible employees as part of succession planning.

2. Environmental performance

By their nature road works can potentially result in environmental hazard through for instance spillage of carbon products which may contaminate the surrounding land, dust and noise pollution, interference with the natural drainage resulting in soil erosion among others. Such potential damages and the mitigating measures are identified during the planning phase in line with the relevant legislation and government regulations.

The Authority's environmental policy is guided by the government policy and the global policy on environmental conservation. To address the air contamination issues, the Authority has put in place safety measures to safeguard the construction workers as well as other road users. These include dust suppression and controlling of speed of the construction related vehicles and machinery. At the tendering stage, the Authority requires the contractor to conduct training for workers about the importance of dust suppression and reduction.

Excessive noise emissions and ground vibrations are regulated by NEMA through the Environmental and Coordination (Noise and Excessive Vibration Pollution Control) regulations 2009. These regulations require mandatory Environmental Impact Assessment (EIA) on all construction projects. The Authority ensures that EIA reports are done and approved before commencement of works on all projects.

With regard to effect on the land use resulting from the construction activities, the Authority continuously monitors the effectiveness of the environmental guidelines implementation to assure satisfactory mitigation of adverse impacts from improper disposal of construction debris while maintaining a working relationship with KFS/KWS planners and specialists to control to advise and consent to more effective resource management strategies made necessary by improved access

3. Employee welfare

The Authority identifies its human capital as one of the most significant assets in fulfilling its

mandate Consequently measures have been put in place to provide a conducive working environment safe guard the well-being of staff to enhance productivity A comprehensive medical cover for both outpatient and inpatient is in place for all the staff. This is in addition to group life policy WIBA contributory pension scheme and staff mortgage scheme. Annual staff appraisals are promptly undertaken and forms the basis for promotions and competency development through appropriate training. The Authority employees with skills for career development and personal growth. During the period under review, a total of fifty staff were trained for various short courses in addition Continuous Development Programs offered by various professional bodies

To enhance professionalism in our work, professional staff are encouraged to register with their respective professional bodies with the cost of subscription taken care of by the Authority The Authority continues to comply with the relevant government laws, regulations and policies. During the financial year 2019-2020, the Authority ensured compliance by submitting all the returns to the relevant regulatory institutions within the prescribed timelines

4. Market place practices-

(i) Ethics and Integrity

The Authority has an anti-corruption policy in place which is continuously updated. Around twenty Integrity officers are continuously trained and serve as the Authority's anti-corruption champions. Staff are required to commit to the Authority's code of conduct and declare conflict of interest. Wealth declaration forms are filled by all staff and directors every two years as per the existing government policy.

The authority maintains a transparent procurement process ensuring compliance with the relevant laws and regulations.

(ii) Quality control measures

The Authority is committed to adhering to the quality standards and ensures value for money in all its expenditure. The Authority has developed a total quality assurance system for implementation of projects and operations as a whole. The total quality system covers all the Authority's activities from policy and regulations, to construction norms and standards, contract supervision and workmanship. The Authority is ISO certified and continually improves its processes and uphold the quality standards in compliance with the ISO requirement.

5. Community Engagements-

(i) Community Welfare

Providing employment to community members is an incontestable benefit from road construction and maintenance. In an effort to achieve this, the road contractor is encouraged to recruit labor locally. This is often valid where a road is to be built using labor intensive technology. The Authority has put mechanism in place to ensure that local workers are recruited in preference to outside labor requiring equivalent qualifications and skills, hiring of unskilled and semi-skilled workers recruited from the local labor pool is gender neutral and

ensuring that the wages paid to locally recruited workers are equivalent and competitive with wages paid to outside laborers.

During the financial year ended 30 June 2020, the Authority built ten (10) bus bays placed at strategic locations within the Nairobi Metropolis to shelter road users from adverse weather conditions

(ii) Stakeholder engagement

The Authority has in place a vibrant Community and Stakeholder Engagement framework that we continued to implement during the period under review. The Authority continued to engage the public in road prioritization and monitoring activities through sensitization forums. The Community engagement strategies deployed in this period were premised on creating awareness and public goodwill as well as collecting feedback on development and management of the National Urban Road Network. A total of Forty-Nine Stakeholder and community engagement forums were conducted

(iii) Collaboration and partnership

Strategic partnerships with Counties has also helped us expand the urban road network. This is coupled by the various measures that the Authority has put in place to garner goodwill with donors for continued funding and strict compliance to set regulatory framework to ensure that our operations continue to be implemented in the most sustainable manner.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Director General, Kenya Urban Roads Authority and the Project Manager for **Dualling of Nairobi - Dagoretti Corner Road C60/C61 (phase 1) - Kenya** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Director General, Kenya Urban Roads Authority and the Project Manager for **Dualling of Nairobi - Dagoretti Corner Road C60/C61 (phase 1) - Kenya** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Director General, Kenya Urban Roads Authority and the Project Manager for **Dualling of Nairobi - Dagoretti Corner Road C60/C61 (phase 1) - Kenya** 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/period ended June 30, 2020, and of the Project's financial position as at that date. The Director General, Kenya Urban Roads Authority and the Project Implementation Team Leader for **Dualling of Nairobi - Dagoretti Corner Road C60/C61 (phase 1) - Kenya** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Director General, Kenya Urban Roads Authority and the Project Manager for **Dualling of Nairobi - Dagoretti Corner Road C60/C61 (phase 1) - Kenya** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

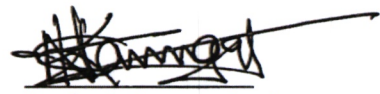
The Project financial statements were approved by the Director General, Kenya Urban Roads Authority and the Project Manager for **Dualling of Nairobi - Dagoretti Corner Road C60/C61 (phase 1) - Kenya** on 24th September 2020 and signed by them.



Director General
Name: Eng. S. Kinoti



Project Manager
Name: Daniel G. Muchiri



Project Accountant
Name: Nicholas Siele
ICPAK Member No.17529

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON DUALLING OF NAIROBI - DAGORETTI CORNER ROAD C60/C61 (PHASE 1) PROJECT - JICA GRANT AGREEMENT NO. 1260210 FOR THE YEAR ENDED 30 JUNE, 2020 – KENYA URBAN ROADS AUTHORITY

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the Dualling of Nairobi - Dagoretti Corner Road C60/C61 (Phase 1) Project set out on pages 1 to 18, which comprise of the statement of financial assets as at 30 June, 2020, and the statement of receipts and payments, the statement of cash flows and the statement of comparison of budget and actual amount for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with provisions of Article 229 of the Constitution and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Project for Dualling of Nairobi - Dagoretti Corner Road C60/C61 (Phase 1) as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Grant Agreement No.1260210 dated 2 June, 2012 between the Japan International Cooperation Agency (JICA) and the Government of the Republic of Kenya and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Dualling of Nairobi - Dagoretti Corner Road C60/C61 (Phase 1) Project Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter

Non-Closure of the Project

The Project implementation period was for 17.6 months ending 31 July, 2017 with donor funding of JPY.1,565,830,000 equivalent to Kshs.1,444,320,000 and GoK counterpart

funding of Kshs.299,900,000. Section 26.1 of the conditions to the contract provides for final inspection of the Project which was done on 12 September, 2019. The final report confirms that the contractor completed the works satisfactorily and the defects liability period had lapsed. However, Management had not formally closed the Project.

My Opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Article 229 (6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Japan International Cooperation Agency (JICA) and Grant Agreement No.1260210, I report based on my audit, that:

- i. All JICA funds have been provided and used in accordance with the conditions of the Grant Agreement with due attention to economy and efficiency and only for the purpose for which the funds were provided;
- ii. Counterpart funds have been provided and used in accordance with the conditions of the Agreement with due attention to economy and efficiency and only for the purpose for which the funds were provided; and
- iii. Goods and services financed have been procured in accordance with the Agreement and in compliance with the JICA rules and procedures.

Responsibilities of Management and those Charged with Governance

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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


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

the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

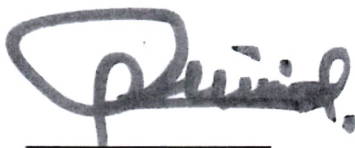
Nairobi

30 December, 2020

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2020

	Note	2019/2020		2018/2019		Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
RECEIPTS						
Transfer from Government entities	9.3	-	-	-	-	260,798,584.98
Proceeds from domestic and foreign grants	9.4	-	-	-	-	1,532,909,163.00
TOTAL RECEIPTS		-	-	-	-	1,793,707,747.98
PAYMENTS						
Acquisition of non-financial assets	9.5	-	-	-	-	1,793,707,747.98
TOTAL PAYMENTS		-	-	-	-	1,793,707,747.98
SURPLUS/(DEFICIT)		-	-	-	-	-

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



Director General
Name: Eng. S. Kinoti



Project Manager
Name: Daniel G. Muchiri



Project Accountant
Name: Nicholas Siele
ICPAK Member No.17529

7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2020

	Note	2019-2020	2018-2019
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10.13.A	-	-
Cash Balances	10.13.B	-	-
Cash Equivalents (short-term deposits)	10.13.C	-	-
Total Cash and Cash Equivalents		-	-
Accounts receivables – Imprest and Advances	10.14	-	-
TOTAL FINANCIAL ASSETS		-	-
REPRESENTED BY			
Fund balance b/fwd	10.15	-	-
Prior year adjustments	10.16	-	-
Surplus/(Deficit) for the year		-	-
NET FINANCIAL POSITION		-	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24th September 2020 and signed by:



Director General
 Date: 24th September 2020



Project Manager
 Date: 24th September 2020



Project Accountant
 Date: 24th September 2020
 ICPAK Member No.17529

8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020

		2019-2020	2018-2019
	Note	KShs	KShs
Receipts from operating activities			
Transfer from Government entities	10.3	-	-
Proceeds from domestic and foreign grants	10.4	-	-
Net cash flow from operating activities		-	-
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10.10	-	-
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year		-	-
Cash and cash equivalent at END of the year		-	-

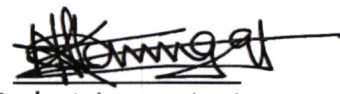
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 24th September 2020 and signed by:



Director General
 Date: 24th September 2020



Project Manager
 Date: 24th September 2020



Project Accountant
 Date: 24th September 2020
 ICPAK Member No.17529

9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	A	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	-	-	-	-	-	0%
Proceeds from domestic and foreign grants	-	-	-	-	-	
Total Receipts	-	-	-	-	-	0%
Payments						
Acquisition of non-financial assets	-	-	-	-	-	0%
Transfers to other government entities	-	-	-	-	-	
Total Payments	-	-	-	-	-	0%

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

Director General
 Date: 24th September 2020

Project Manager
 Date: 24th September 2020

Project Accountant
 Date: 24th September 2020
 ICPAK Member No: 17529

10. NOTES TO THE FINANCIAL STATEMENTS

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

10.1. Basis of Preparation

10.1.1. Statement of compliance and basis of preparation

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

10.1.2. Reporting entity

The financial statements are for the The Project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) -Kenya under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.1.3. Reporting currency

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

10.2. Significant Accounting Policies

a) Recognition of receipts

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

• Transfers from the Exchequer

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

• External Assistance

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donations and grants

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

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds, sovereign bonds and external loans acquired by the Project or any other debt the Project may take on will be treated on cash basis and recognized as a receipt during the year they were received. There were no proceeds from borrowings in this project.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary. There were no undrawn external assistance for this project.

• Other receipts

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

b) Recognition of payments

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

• Compensation of employees

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

• Use of goods and services

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

• Interest on borrowing

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Repayment of borrowing (principal amount)**

This project is a grant, therefore there is no Repayment of borrowing (Principal Amount).

- **Acquisition of fixed assets**

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

c) **In-kind donations**

In-kind contributions are donations that are made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded. There were no donations in kind at the end of the reporting period.

d) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Restriction on cash

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Accounts receivable

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

f) Contingent Liabilities

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

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

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

g) Contingent Assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs. There was no contingent Assets in this project.

h) Pending bills

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

at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

i) Budget

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

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

j) Third party payments

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

During the reporting period no loan disbursements were received in form of direct payments from third parties.

k) Exchange rate differences

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Comparative figures

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

m) Subsequent events

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

n) Errors

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.3. RECEIPTS FROM GOVERNMENT OF KENYA

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

	2019/20	2018/19	Cumulative
	KShs	KShs	to-date (from inception)
Counterpart funding through Ministry			
Counterpart funds Quarter 1	-	-	64,775,735.65
Counterpart funds Quarter 2	-	-	57,411,193.00
Counterpart funds Quarter 3	-	-	70,767,842.00
Counterpart funds Quarter 4	-	-	67,843,814.33
Total	=	=	<u>260,798,584.98</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.4. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2020 no grants were received from donors as detailed in the Table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs.	
						2019/20	2018/19
Grants Received from Bilateral Donors (Foreign Governments)							
Japan International Cooperation Agency (JICA) Grant		-	-	-	-	-	-
TOTAL		-	-	-	-	-	-

The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.5. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June, 2020 no loans from external development partners was received for the project

10.6. MISCELLANEOUS RECEIPTS

During the 12 months to 30 June, 2020 no miscellaneous receipts were received for the project.

10.7. COMPENSATION OF EMPLOYEES

There were no compensation of employees during the 12 months to 30th June, 2020

10.8. PURCHASE OF GOODS AND SERVICES

There were no goods and services during the period ending 30th June, 2020.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.9. SOCIAL SECURITY BENEFITS

There were no goods and services during the period ending 30th June, 2020.

10.10. ACQUISITION OF NON-FINANCIAL ASSETS

Description	2019-2020	2018-2019	Cumulative to-date
	Kshs	Kshs	Kshs
Consultancy works(Supervision of road Works)	-	-	109,094,000.00
Relocation of Service	-	-	260,798,584.98
Construction of civil works	-	-	1,423,815,163.00
TOTAL	-	-	1,793,707,747.98

10.11. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30 June 2020, there were no transfers of funds to reporting government entities:

The Project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) -Kenya
Project Financing Grant Number: 1260210
Reports and Financial Statements For the financial year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.12. OTHER GRANTS AND TRANSFERS AND PAYMENTS

There were no other grants and transfers during the period ending 30th June 2020.

10.13. CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts (Note 8.13A)	-	-
Cash in hand (Note 8. 13B)	-	-
Cash equivalents (short-term deposits) (Note 8.13C)	-	-
Total	=	=

The project does not have any project accounts or foreign currency designated accounts managed by the National Treasury.

10.13 A Bank Accounts

Project Bank Accounts

	2019/20	2018/19
	KShs	KShs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	-	-
Kenya Commercial Bank [A/c No.....]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
Others (specify)	-	-
Total Foreign Currency balances	=	=
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	-	-
Kenya Commercial Bank [A/c No.....]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
Others (specify)	-	-
Total local currency balances	=	=
Total bank account balances	=	=

**The Project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) -Kenya
Project Financing Grant Number: 1260210
Reports and Financial Statements For the financial year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts

The does not have a Project's Special Deposit Account(s) as at 30th June 2020.

10.13B Cash In Hand

There was no cash in hand during the period ending 30th June 2020.

10.13C Cash equivalents (short-term deposits)

There were no cash equivalents during the period ending 30th June 2020.

10.14. OUTSTANDING IMPRESTS AND ADVANCES

There were no outstanding imprests and advances during the period ending 30th June 2020.

10.15. FUND BALANCE BROUGHT FORWARD

There were no fund balances brought forward during the period ending 30th June 2020.

10.16. PRIOR YEAR ADJUSTMENT

There were no prior year adjustments during the period ending 30th June 2020.

10.17. CHANGES IN RECEIVABLE

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

10.18. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

11. OTHER IMPORTANT DISCLOSURES

11.1 PENDING ACCOUNTS PAYABLE (See Annex 2A)

There were no pending staff payables during the period ending 30th June 2020.

11.2 PENDING STAFF PAYABLES (See Annex 2B)

There were no pending staff payables during the period ending 30th June 2020.

11.3 OTHER PENDING PAYABLES (See Annex 2C)

There were no other pending payables during the period ending 30th June 2020.

11.4 External Assistance

There was no external assistance during the period ending 30th June 2020.

a) External assistance relating loans and grants

There were no external assistance relating to loans and grants during the period ending 30th June 2020.

b) Undrawn external assistance

There was no undrawn external assistance during the period ending 30th June 2020.

c. Classes of providers of external assistance

There were no other classes of providers of external assistance during the period ending 30th June 2020.

d. Non-monetary external assistance

There were no non-monetary external assistance during the period ending 30th June 2020.

e. Purpose and use of external assistance

There was no external assistance in this project.

The Project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) -Kenya
Project Financing Grant Number: 1260210
Reports and Financial Statements For the financial year ended June 30, 2020

OTHER IMPORTANT DISCLOSURES (Continued)

f .External Assistance paid by Third Parties on behalf of the Entity by Source

This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity. There was no External Assistance paid by Third Parties on behalf of the Entity by Source.

	FY 2019/2020	FY 2018/2019
Description	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

The Project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) -Kenya
Project Financing Grant Number: 1260210
Reports and Financial Statements For the financial year ended June 30, 2020

12. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS

During the financial year 2018 - 2019 there were no issues raised by the Auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
None	None	None	None	None	None

Director General
4th September 2020

Project Manager
24th September 2020

Project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) -Kenya
 Project Financing Grant Number: 1260210
 Reports and Financial Statements For the financial year ended June 30, 2020

INDEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Description	Final Budget	Actual on Comparable Basis	Budget Utilisation Variance	% of Utilisation Variance to Final Budget	Comments on Variance
	a	b	c=a-b	d=c/a %	
RECEIPTS DURING THE YEAR/PERIOD					
Government of Kenya	-	-	-	-	-
External financing- Japan International Cooperation Agency (JICA) Grant	-	-	-	-	-
Total receipts	-	-	-	-	-
PAYMENTS DURING THE YEAR/PERIOD					
Acquisition of non-financial assets	-	-	-	-	-
Total payments	-	-	-	-	-

As the project is complete, therefore there were no receipts / Payments were made in the reporting period.

: Project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) -Kenya
ject Financing Grant Number: 1260210
ports and Financial Statements For the financial year ended June 30, 2020

NEX 2A – ANALYSIS OF PENDING BILLS

There was no pending bill for this project in the FY 2019/2020 since the project is complete.

Project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) -Kenya
 Project Financing Grant Number: 1260210
 Reports and Financial Statements For the financial year ended June 30, 2020

ANNEX 2B – ANALYSIS OF PENDING STAFF BILLS

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
Permanent Employees - Management							
Sub-Total							
Permanent Employees – Others							
Sub-Total							
Temporary employees							
Sub-Total							
Others (specify)							
Sub-Total							
Grand Total							

There were no staff pending bills for this project since the project is complete and fully funded.

Project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) -Kenya
 Project Financing Grant Number: 1260210
 Reports and Financial Statements For the financial year ended June 30, 2020

NEX 2C – ANALYSIS OF OTHER PENDING PAYABLES

Item	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2020	Comments
		a	b	c	d=a-c		
Accounts due to National Govt Entities							
Sub-Total							
Accounts due to County Govt Entities							
Sub-Total							
Accounts due to Third Parties							
Sub-Total							
Others (specify)							
Sub-Total							
Grand Total							

There were no other pending bills payable in this project.

E PROJECT FOR DUALLING OF NAIROBI – DAGORETTI CORNER ROAD C60/C61 (PHASE 1) -KENYA
ject Financing Grant Number: 1260210
ports and Financial Statements
r the financial year ended June 30, 2020

INEX 3 – SUMMARY OF FIXED ASSET REGISTER

ere no fixed assets register for this project.

Project For Dualling Of Nairobi – Dagoretti Corner Road C60/C61 (Phase 1) -Kenya
Project Financing Grant Number: 1260210
Reports and Financial Statements For the financial year ended June 30, 2020

NEX 4 - CONTINGENT LIABILITIES REGISTER

There are no contingent liabilities in this project.



KENYA URBAN ROADS AUTHORITY

Telephone: 020-8013844
Email: info@kura.go.ke
Website: www.kura.go.ke

Barabara Plaza, Mazao Rd, JKIA
P.O. Box 41727-00100

RESOLUTION OF THE BOARD OF DIRECTORS OF KENYA URBAN ROADS AUTHORITY APPROVING THE FINANCIAL STATEMENTS FOR FY2019/2020

WHEREAS at the 84th Regular Meeting of the Board of Directors of Kenya Urban Roads Authority held on 24th September 2020 at the Barabara Plaza 4th Floor Boardroom and through tele/videoconference at Nairobi, the following Board Members were present:-

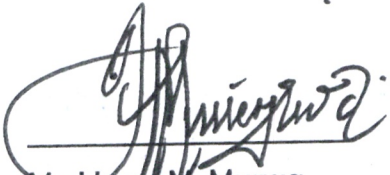
1. Mr. Henry M. Murwa - *[Chairing]*
2. Mr. Isaac N. Githui
3. Mr. Joseph G. Kiarii
4. Eng. James M. Kung'u
5. Mr. Tarayia Ole Kores
6. Eng. Charles M. Chiuri
7. Mr. Basil N. Nyagah
8. Eng. Silas M. Kinoti - *[Director General/Board Secretary]*

WHEREAS the Board of Directors reviewed and deliberated on the Annual Report & Financial Statements of the Authority for the period ending 30th June 2020;

BE IT RESOLVED that the Board duly approved and adopted the Annual Report & Financial Statements of the Kenya Urban Roads Authority covering FY2019/2020 as presented.

IT WAS SO RESOLVED.

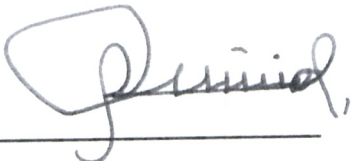
Signed:



Mr. Henry M. Murwa

Board Member/Chairing

Date: 24.09.2020



Eng. Silas M. Kinoti

Director General/Board Secretary

Date: 24/09/2020