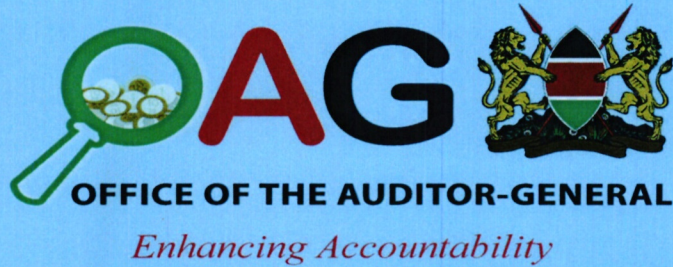



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REPORT

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THE AUDITOR-GENERAL

ON

**KENYA URBAN SUPPORT PROGRAM
 (IDA CREDIT NO.6134-KE)**

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

**STATE DEPARTMENT FOR HOUSING
 AND URBAN DEVELOPMENT**



KENYA URBAN SUPPORT PROGRAM

**IMPLEMENTING ENTITY: STATE DEPARTMENT FOR HOUSING & URBAN
DEVELOPMENT**

PROJECT CREDIT NUMBER IDA 6134-KE

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)**

*Kenya Urban Support Programme
Reports and Financial Statements
For the financial year ended June 30, 2020*

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is Kenya Urban Support Program

Objective: The key objective of the project is to establish and strengthen urban institutions to deliver improved infrastructure and services in participating counties in Kenya.

Address: The project headquarters is located in Nairobi County, Kenya.

The address of its registered office is:

The Ministry of Transport, Infrastructure, Housing and Urban Development
State Department of Housing and Urban Development
P.O Box 34477-00100
Nairobi
Telephone number is (254) 340972

The physical address is Cianda House, Koinange Street, Nairobi

The project also has operations carried out in offices/branches in the 45 counties excluding the counties of Nairobi and Mombasa, and to other eligible urban areas within those counties.

Contacts: The following are the project contacts

Telephone: (254)3 340972

1.2 Project Information

Project Start Date:	The project start date is 26 July 2017
Project End Date:	The project end date is 30 June 2023 (6 years after effective starting date)
Project Manager:	The Programme Coordinator is Mr Charles K'Onyango
Project Sponsor:	The project is financed through a hybrid of the Investment Project Financing (IPF) and Program for Results (P for R) instruments) from the International Development Association (IDA) and counterpart funds from the Government of Kenya (GoK).

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1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the State Department of Housing and Urban Development in the Ministry of Transport, Infrastructure, Housing and Urban Development.
Project number	IDA 61340
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> (i) Support for the establishment, operationalization and strengthening of the institutional framework for urban management as part of the national level interventions (Window 1) (ii) Strengthening management and administration of urban finances (including conditional grants) in Window 1 (iii) Provision of support for planning, urban infrastructure, and service delivery in Window 1 (iv) Assist County Governments Address Urban Development and Management Issues as part of the county level interventions (Window 2) (v) Ensure Urban institutions are established and operational (UIG minimum conditions are achieved) in Window 2 (vi) Ensure Urban institutions are performing effectively in delivering urban infrastructure and services (UDG performance standards are achieved) in Window 3
Achievement of strategic goals	The project management aims to achieve the goals through institutional arrangements at the national, county and urban board levels
Other important background information of the project	The key objective of the project is to establish and strengthen urban institutions to deliver improved infrastructure and services in participating counties in Kenya.
Current situation that the project was formed to intervene	The project was formed to establish and strengthen urban institutions to deliver improved infrastructure and services in participating counties in Kenya
Project duration	The project started on 1st July 2016 and is expected to run until 30 June 2023

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1.4 Bankers

The following are the bankers for the current year:

- (i) Central Bank of Kenya- DA Account

Haille Sellassie

A/c No 1000317876

- (ii) Central Bank of Kenya- KShs Account

Haille Sellassie

A/c No 1000396946

1.5 Auditors

The project is audited by Auditor General, Office of Auditor General, P.O Box 30084 – 00100 Nairobi.

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1.6 Roles and Responsibilities

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

Names	Title designation	Key qualification	Responsibilities
Charles K'Onyango	Programme Coordinator	Registered Planner	Overall programme coordination.
Solomon Ambwere	Deputy Programme Coordinator, KUSP Head in Urban Planning and Urban Management	Registered Planner	Deputy to programme coordinator, Management of Urban Planning
Isaac Mungania	KUSP Head of Institutional Development and Management Support	Land Surveyor	Management of component 1 activities
Eng.Charles Mutunga	Head of Infrastructure Management	Registered Engineer	Management of Infrastructure Services
Patrick Gachanja	Head of Grants Management	Chief Economist	Management of Grants
Christopher Kingi	Programme Accountant	Certified Public Accountant	Accounting and Financial Management
Mercy Kimani	Deputy Head, Urban Planning and Urban Management	Urban Planner and Surveyor	Management of Urban Planning
Francis Owade	Deputy Head, Infrastructure Management	Architect	Social safeguards
Jeniffer Musango	Deputy Head, Institutional Development and Management	Economist	Monitoring and Evaluation
Kenneth Nyaseda	Program Environmental Officer	Registered planner	Environmental
Esther Maina	Program Finance Officer	Finance	Finance
Maureen Ombuki	Program Procurement Officer	Procurement	Procurement

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1.7 Funding summary

The Project is for duration a of 6 years from 2017 to 2023 with an approved budget of US\$ 320 million equivalent to KShs 32,822,400,000 as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30 06 2020)		Undrawn balance to date (30 06 2020)	
	Donor currency(US D)	KShs	Donor currency	KShs	Donor currency	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan						
IDA	300,000,000	30,771,000,000	217,209,567	22,490,336,793	82,790,433	8,280,663,208
(ii) Counterpart funds						
Government of Kenya	20,000,000	2,051,400,000	778,730	79,874,381	19,221,270	1,971,525,619
Total	320,000,000	32,822,400,000	217,988,297	22,570,211,173	102,011,703	10,252,188,827

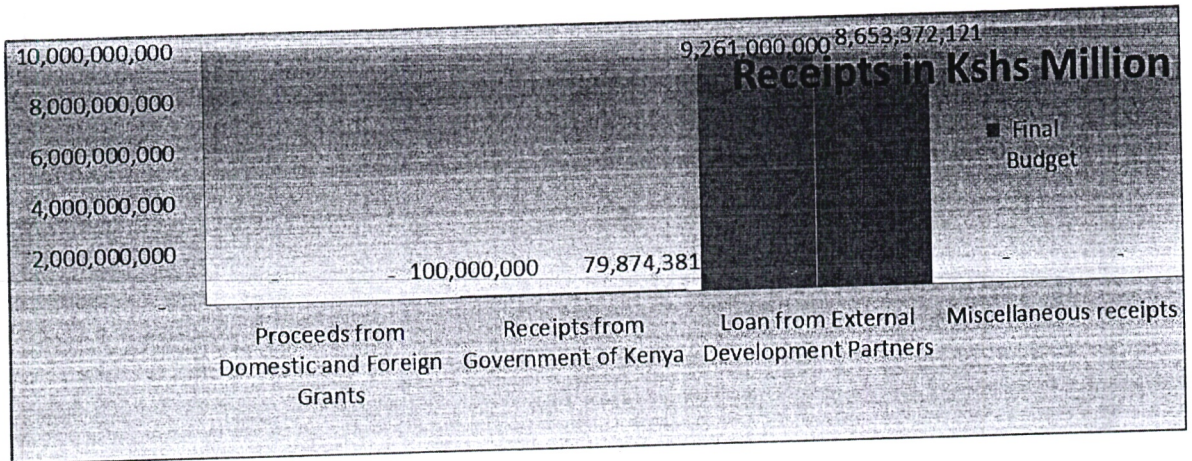
1.8 Summary of Overall Project Performance:

The budget for KUSP for the 2019/2020 Fiscal Year is Kshs 9,361,000,000 of which Kshs. 100,000,000 is the Government of Kenya (GOK) contribution. The programme spent a total of Ksh 8,857,644,176 (95%) of the budget. Cumulative Programme disbursements stand at 73% for the loan and 69% overall.

1.9 Receipts Utilisation

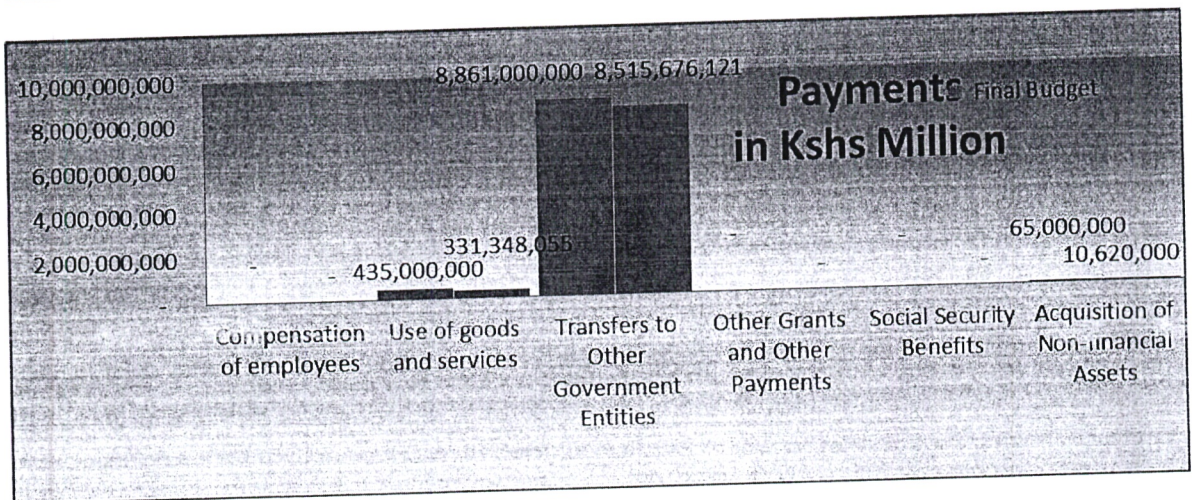
Under the period under review (2019/2020) the project received KShs 8,653,372,121 as Loan from External Development Partners from IDA. This represented 93% of the budget and Ksh 79,874,381 from the Government of Kenya representing 80% of the budget. The receipts utilisation is as shown in the bar graph below:

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1.10 Payments Utilisation

The actual project performance in the period under review (2019/2020) is KShs 8,857,644,176 representing 95% of the budget of the year which stands at Ksh 9,361,000,000. The payments utilization is as shown in the bar graph below:



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1.11 Key Achievements

- i. Programme Appraisal Document prepared
- ii. Programme Operation Manual (POM) prepared.
- iii. Signing of Financing Agreement done on 14th Sep, 2017.
- iv. Implementation Structures: -
- v. The National Program Coordination Team (PCT) has been formed with the core team (Coordinator and 4 Comp heads) and others key technical officers appointed. In addition, the team has been sensitized on their roles and responsibilities.
- vi. Setting up of County Coordination Teams done and operational.
- vii. Formation of Program Steering and Technical Committees done and operational.
- viii. 1st full Annual Performance Assessment (APA) – Final APA Report done and submitted on 18th October, 2018
- ix. Briefing of Governors, CECs, and COs in Feb – March, 2018 on KUSP requirements.
- x. KUSP launched on 23rd April, 2018.
- xi. Conducted County consultations in July and August, 2018 to establish the readiness of county urban infrastructure proposals for Urban Development Grant (UDG) funding in Financial Year 2018/19 and briefed counties on preparations of Annual Municipal Investment Plans.
- xii. Facilitated five Counties (Mombasa, Nairobi, Nakuru, Kisumu and Uasin Gishu) to participate in CRP Mission in Bangkok Thailand on 9th to 13th July, 2018.
- xiii. Conducted CRP/KUSP mission 16th to 26th October, 2018, Counties visited were: - Nairobi, Mombasa, Nakuru, Uasin Gishu and Kisumu.
- xiv. Counties received UDG for 2018/2019 financial year on 20th December, 2018
- xv. Facilitated two Counties (Makueni and Nakuru) to participate in the 8th Edition Africities Summit in Marrakech – Morocco from 20th to 24th November, 2018.
- xvi. Participated in CRP planning workshop in Durban – South Africa, from 26th to 30th November, 2018.
- xvii. Held 6 steering committee meetings;
 - a. 1st held on 8th may 2018, which endorsed the fulfillment of the disbursement Linked Indicators Number One (DLI) Minimum Conditions and disbursement of Urban Institutional Grant (UIG).
 - b. 2nd held on 31st August 2018 to endorse Draft Fund Report of the First KUSP Annual Performance Assessment and the Disbursement Schedule for Urban Development Grants (UDG). This was deferred pending clarification on the APA process.
 - c. 3rd held on 4th October 2018 which finally endorsed Draft Fund Report of the First KUSP Annual Performance Assessment and approved the disbursement Schedule for Urban Development Grants (UDG)
 - d. 4th held on 19th February, 2020 which was to endorsed the disbursement as per findings of 2nd APA report however this was not done instead the committee enormously decided to grant a week extra days to five municipalities (Kwale, Hola, Rumuruti, Maralal and Marsabit) that had not qualified for UDG to submit the required information for to them to qualify.
 - e. 5th held on 9th March, 2020, which approved disbursement schedule for 2019/2020 financial year.

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- f. 6th held on 10th March, 2020, which confirmed minutes of 9th march, 2020.
- xviii. UIG for 2017/18 and 2018/19 disbursed to the 45No. counties.
- xix. Procured six individual consultants to support IPDU.
- xx. Facilitated validation of Consultancy services for initial work on classification and establishment of urban of areas through County Governments (excluding Nairobi and Mombasa contract findings workshop of 45No for CECS on 27th March, 2019.
- xxi. Sensitized on KUSP 45No. Municipal Board Chairmen on 29th March, 2019.
- xxii. Facilitated Governors retreat which included CECs, COs and a Technical officer from 45No. Counties in Naivasha, 9th to 10th April, 2019. The retreat was on KUSP, KISP, and Affordable Housing Program.
- xxiii. Trained 392No. County Program Coordination Team members on Environment and Social Safeguards (ESSA), Financial Management (FM) and monitoring and evaluation (M&E) KUSP requirements in four clusters from 15th to 26th April, 2019.
- xxiv. Conducted KUSP NPCT – World Bank Joint Implementation Support Mission from 15th to 29th May, 2019.
- xxv. Held 3no. Technical meetings
- a. Held inaugural meeting held on 30th July, 2019.
- b. Held the 2nd meeting on 5th August, 2019 where the APA 2 Score Card was reviewed and agreed upon.
- c. Held the 3rd meeting on 17th February, 2020 which endorsed the 2nd APA report.
- xxvi. Held NPCT, WB and IPDU meeting on 9th August, 2019.
- xxvii. Held a meeting with UN-Habitat, WB and NPCT with the aim of charting a way forward on developing 4No. guideline notes for Urban planning, Urban infrastructure and municipal services on 23rd August, 2019.
- xxviii. Held a validation workshop for Municipal Urban Planning Needs and Preparedness for Kenya Urban Support Program (KUSP) through County Governments on 23rd August 2019.
- xxix. NPCT trained as GEMS Trainer of Trainers from 17th to 20th September, 2019
- xxx. Conducted County Infrastructure and Affordable Housing Sites Visits from 29th September to 22nd October, 2019
- xxxi. Conducted KUSP ESSA compliance workshop – 14th to 15th November, 2019
- xxxii. Conducted 2nd full APA stakeholder’s validation workshop (Steering, PTC, CECM Urban, Governors, the National Treasury, Council of Governors) – 15th to 16th November, 2019
- xxxiii. Consultancy services for initial work on classification and establishment of urban of areas through County Governments (excluding Nairobi and Mombasa) – 60 Million completed on 31st September 2019
- xxxiv. Consultancy services for conducting municipal urban planning needs and preparedness for KUSP through County Governments -60M completed on 30th August,2019
- xxxv. Undertaken 5th KUSP Implementation Mission – 11th to 29th November, 2019
- xxxvi. Held a meeting with NPCT, WB and ACAL on 3rd December, 2019
- xxxvii. NPCT retreat of Final 2nd APA report and analysis of appeals from 20th to 26th January, 2020
- xxxviii. Consultancy services for initial work on classification and establishment of urban of areas through County Governments (excluding Nairobi and Mombasa) – 60 Million – completed on

**Kenya Urban Support Programme
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- August, 2019
- xxxix. Consultancy services for conducting municipal urban planning needs and preparedness for KUSP through County Governments -60M- completed on August, 2019
 - xl. KUSP participated in 10th World Urban Forum as an exhibitor and facilitate the best performing counties (Kericho and Meru) with reference to APA2 results and other best counties like Kirinyaga, Wajir, Migori, Homa Bay. Also facilitated three members of National Assembly, Council of Governors and Chairperson Urban Committee.
 - xli. Have conducted several need based training with request from the counties/Municipality.
 - xlii. Facilitated and participated on Technical Deep Dive (TDD) conference, held at Naivasha, 29th February to 6th March, 2020.
 - xliii. NPCT held three virtual consultative meetings with the CoG and Bank with aim of resolving program fiduciary issues to enable trigger disbursement for the financial 2019/2020.
 - xliv. NPCT held two virtual mission planning meetings.
 - xliv. KUSP 6th implementation Support Mission held virtually due to Covid-19 pandemic from 2nd to 15th June, 2020 to selected counties.
 - xlvi. Disbursed 3rd UIG grant and 2nd UDG grant on 30th June, 2020.

1.12 Challenges Encountered and recommendations

- i. Technical capacity gaps

Possible solutions to the challenges

- i. Core M&E team to make continuous follow ups.
- ii. Continues capacity building exercises

1.13 Summary of Project Compliance:

There were no cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants.

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2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

The key development objective of the Project's 2018-2023 plan is to:

- a) To establish and strengthen urban institutions in participating counties in Kenya
- b) To deliver improved infrastructure and services in participating counties in Kenya.

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

Project	Objective	Outcome	Indicator	Performance
Urban areas with approved charters, established boards, appointed urban managers, and a budget vote (measures establishment of urban institutions).	To establish and strengthen urban institutions	Improved Governance and service delivery	Number of urban areas with approved charters, established boards, appointed urban managers and a budget vote.	59 out of 59 municipalities have approved charters, established boards, appointed managers and have budget votes
Urban areas that utilize at least 50 percent of the budget intended for their urban investments in their budget vote (measures strengthening of urban institutions).	To deliver improved infrastructure	Enhanced service delivery	Number of urban areas that utilize at least 50 percent of the budget intended for their urban investments in their budget vote.	44 urban areas have utilized their budget above 50%.
Score in the APA for achievement of urban planning, infrastructure, and service delivery targets by counties/urban areas, averaged across all urban areas that qualify for the UDG (maximum of 25).	To deliver improved infrastructure	Enhanced service delivery	% Score in the APA for achievement of urban planning, infrastructure	97%

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

1. Environmental performance

The Program has in-built mechanisms to ensure adherence to the Environmental Management and Coordination Act (1999) as well as the NEMA regulations in all its infrastructure investment projects. This is to ensure environmental soundness and sustainability.

2. Employee welfare

All participating municipalities are required to ensure that their contractors strictly adhere to the provisions of Occupational Safety and Health Act (2007) and the applicable regulations in as far as employee safety and welfare are concerned. Further, other legal requirements on gender equality, mainstreaming of special needs groups (PLWD's, marginalized and vulnerable groups) are adhered to.

3. Market place practices-

All procurement activities are undertaken in strict compliance to the Public Procurement and Asset disposal act, 2015 as well as the Bank guidelines to ensure transparency, fairness and accountability.

Kenya Urban Support Programme
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4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the State Department of Housing and Urban Development and the *Project Coordinator* for **Kenya Urban Support Programme** 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.

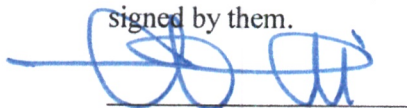
The *Principal Secretary* for the State Department of Housing and Urban Development and the *Project Coordinator* for **Kenya Urban Support Programme** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary* for the State Department of Housing and Urban Development and the *Project Coordinator* for **Kenya Urban Support Programme** 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 *Principal Secretary* for the State Department of Housing and Urban Development and the *Project Coordinator* for **Kenya Urban Support Programme** 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 *Principal Secretary* for the State Department of Housing and Urban Development and the *Project Coordinator* for **Kenya Urban Support Programme** 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 *Principal Secretary* for the State Department of Housing and Urban Development and the *Project Coordinator* for **Kenya Urban Support Programme** on 25/9 2020 and signed by them.



Principal Secretary

Name: Mr. Charles M. Hinga, CBS



Project Coordinator

Name: Charles K'Onyango



Project Accountant:

Name: Christopher Kingi

ICPAK Member Number: 9467

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA URBAN SUPPORT PROGRAM (IDA CREDIT NO.6134-KE) FOR THE YEAR ENDED 30 JUNE, 2020 – STATE DEPARTMENT FOR HOUSING AND URBAN DEVELOPMENT

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Urban Support Program (IDA Credit No.6134-KE) set out on pages 3 to 24, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and the statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Urban Support Program 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 complies with the Financing Agreement No. 6134-KE dated 14 September, 2017 between International Development Association (IDA) and the Republic of Kenya and the Public Finance Management Act, 2012.

In addition, the special account statement presents fairly the special accounts transaction and the closing balance has been reconciled with the books of account.

Basis for Qualified Opinion

1. Unsupported Transfers to Counties

As disclosed under Note 10.7A to the financial statements, the statement of receipts and payments reflects transfers to Counties amounting to Kshs.8,515,676,121. However,

there were no expenditure returns from the County Governments to show utilization of the funds transferred to them.

Consequently, the accuracy of transfers to Counties amounting to Kshs.8,515,676,121 for the year ended 30 June, 2020 could not be ascertained.

2. Motor Vehicles Without Log Books

As disclosed in Note 10.6 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.10,620,000 under acquisition of non-financial assets which includes the cost of two project motor vehicles GKB 851V and GKB 852B for which log books were not made available for audit review. Consequently, the rightful ownership to the vehicles could not be established.

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

Key Audit Matters

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

Other Matter

Pending Bills

Notes 11.1 to the financial statements reflects pending bills of Kshs.2,661,615 as at 30 June, 2020. Management has not provided reasons for non-payment of the bills which exposes the Project to the risk of incurring significant interest costs and penalties for the continued delay in making payments.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Disbursement of Funds to Counties

As previously reported, according to Section V (Withdrawal of Credit Proceeds) of the Financing Agreement between the International Development Association (IDA) and the Republic of Kenya, funds were to be disbursed in two tranches. The first tranche was to facilitate formation of County Program Coordination Teams, which, among other responsibilities is to manage the use of Urban Institutional Grants (UIG) and also to provide support to participating County Governments for the formulation of Urban Development Plans including the establishment and operation of Urban Institutional Arrangements such as Charters, Board administration and operation of Urban Institutional Arrangements and for the initial preparation of Urban Infrastructure Investments.

However, during the year under review, Urban Development Grants (UDG) amounting to Kshs.8,128,476,121(2019-Kshs.11,464,702,500) was released to the participating Counties. The Urban Institutional Grants (UIG) of Kshs.387,200,000 (2019-Kshs.1,854,000,000) was also released during the year, indicative of release of Urban Development Grants (UDG) preceding the Urban Institutional Grants (UIG) contrary to the Financing Agreement.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 International Development Association, I report based on my audit, that: -

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have not been kept by the Project, so far as appears from the examination of those records; and
- iii. The Project's financial statements are not in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

Auditor-General's Responsibilities for the Audit

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

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Kenya Urban Support Programme
Reports and Financial Statements
For the financial year ended June 30, 2020

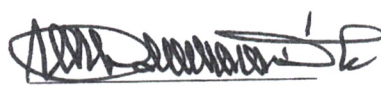
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2020

	Note	2019/20		2018/19		Cumulative to-date
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
RECEIPTS						
Transfer from Government entities		79,874,381	-	-	-	79,874,381
Loan from external development partners	10.4	137,696,000	8,515,676,121	-	13,318,702,500	22,490,336,793
TOTAL RECEIPTS		217,570,381	8,515,676,121	-	13,318,702,500	22,570,211,174
PAYMENTS						
Purchase of goods and services	10.5	331,348,055	-	191,919,354	-	613,692,389
Acquisition of Non-financial assets	10.6	10,620,000	-	15,959,495	-	26,579,495
Transfers to Counties	10.7 A	-	8,515,676,121	-	13,318,702,500	21,834,378,621
TOTAL PAYMENTS		341,968,055	8,515,676,121	207,878,849	13,318,702,500	22,474,650,505
SURPLUS/DEFICIT		(124,397,674)	-	(207,878,849)	-	95,560,668

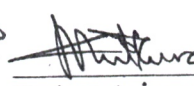
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



Principal Secretary
Name: Mr. Charles M. Hinga, CBS



Project Coordinator
Name: Charles K'Onyango



Project Accountant
Name: Christopher Kingi
ICPAK Member No. 9467

Kenya Urban Support Programme
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7. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2020

	Note	2019/20	2018/19
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10.8 A	107,285,373	219,958,344
Cash Balances	10.8.B		
Total Cash and Cash Equivalents	10.8	107,285,373	219,958,344
Accounts receivables – Imprest and Advances	10.9	602,709	
TOTAL FINANCIAL ASSETS		107,888,082	219,958,344
REPRESENTED BY			
Fund balance b/fwd	10.10	219,958,344	427,837,192
Prior year adjustments	10.11	12,327,413	-
Surplus/Deficit for the year		(124,397,674)	(207,878,849)
NET FINANCIAL POSITION		107,888,082	219,958,344

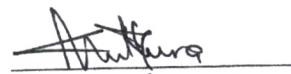
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 23/9/20 2020 and signed by:



Principal Secretary
Name: Mr. Charles M. Hinga, CBS



Project Coordinator
Name: Charles K'Onyango



Project Accountant
Name: Christopher Kingi
ICPAK Member No. 9467

**Kenya Urban Support Programme
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8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020

		2019/20	2018/19
	Note	KShs	KShs
Receipts for operating activities		-	-
Transfer from Government entities	10.3	79,874,381	
Payments for operating activities		-	-
Use of goods and services	10.5	(331,348,055)	(191,919,354)
Transfers to Other Government Entities		(8,515,676,121)	(13,318,702,500)
		(8,767,149,795)	(13,510,621,854)
Change in Imprests & Advances	10.9	(602,709)	13,681,088
Adjustments during the year	10.11	12,327,413	
Net cash flow from operating activities		(8,755,425,091)	(13,496,940,766)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Non-financial Assets	10.6	(10,620,000)	(15,959,495)
		(10,620,000)	(15,959,495)
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	10.4	8,653,372,121	13,318,702,500
Net cash flow from financing activities		8,653,372,121	13,318,702,500
NET INCREASE IN CASH AND CASH EQUIVALENT		(112,672,970)	(194,197,761)
Cash and cash equivalent at BEGINNING of the year		219,958,343	414,156,104
Cash and cash equivalent at END of the year		107,285,373	219,958,343

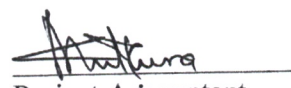
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 23/9/2020 and signed by:



Principal Secretary
Name: Mr. Charles M. Hinga, CBS



Project Coordinator
Name: Charles K'Onyango



Project Accountant
Name: Christopher Kingi
ICPAK Member No. 9467

**Kenya Urban Support Programme
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9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget A	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis D	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Transfer from Government entities	100,000,000	-	100,000,000	79,874,381	20,125,619	80%
Proceeds from domestic and foreign grants	-	-	-	-	-	-
Proceeds from borrowings	11,861,000,000	(2,600,000,000)	9,261,000,000	8,653,372,121	607,627,879	93%
Miscellaneous receipts						
Total Receipts	11,961,000,000	(2,600,000,000)	9,361,000,000	8,733,246,502	627,753,498	93%
Payments						
Compensation of employees						
Purchase of goods and services	1,035,000,000	(600,000,000)	435,000,000	331,348,055	103,651,945	76%
Social security benefits						
Acquisition of non-financial assets	65,000,000		65,000,000	10,620,000	54,380,000	16%
Transfers to other government entities	10,861,000,000	(2,000,000,000)	8,861,000,000	8,515,676,121	345,323,879	96%
Other grants and transfers						
Total Payments	11,961,000,000	(2,600,000,000)	9,361,000,000	8,857,644,176	503,355,824	95%

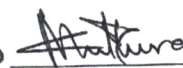
Note: The significant budget utilisation/performance differences in the last column are explained in **Annex 1** to these financial statements.



Principal Secretary
Name: Mr. Charles M. Hinga, CBS



Project Coordinator
Name: Charles K'Onyango



Project Accountant
Name: Christopher Kingi
ICPAK Member No. 9467

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 Project IDA 61340 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.

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

- **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)**

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

- **Acquisition of fixed assets**

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

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

c) **In-kind donations**

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

d) **Cash and cash equivalents**

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

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. There are no contingent liabilities in the year.

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

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.

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.

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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 year there were disbursements which 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 recognised in the statements of receipts and payments.

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Exchange rate differences

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

p) 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.

q) Subsequent events

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

r) 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.

*Kenya Urban Support Programme
Reports and Financial Statements
For the financial year ended June 30, 2020*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.3 LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2020 we received grants from donors as detailed in the table below:

	2019/20	2018/19	Cumulative
	KShs	KShs	to-date
<i>Counterpart funding through State Department for Housing and Urban Development</i>			
Counterpart funds Quarter 1			
Counterpart funds Quarter 2			
Counterpart funds Quarter 3			
Counterpart funds Quarter 4	79,874,381	-	79,874,381
<i>Other transfers from government entities</i>			
Appropriations-in-Aid			
Total	79,874,381		79,874,381

10.4 LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2020 we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in KShs	
		(\$)	KShs	KShs	FY 2019/20	FY 2018/19
Loans Received from Multilateral Donors (International Organisations)						
IDA - NPCT		1,300,000	137,696,000		137,696,000	13,318,702,500
IDA - Counties		80,895,000	8,515,676,121		8,515,676,121	
Total		82,195,000	8,653,372,121		8,653,372,121	13,318,702,500

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10.5 PURCHASE OF GOODS & SERVICES

	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		Cumulative to- date
			FY 2019/20	FY 2018/19	
	KShs	KShs	KShs	KShs	KShs
Utilities, supplies and services				9,794,236	24,058,540
Domestic travel and subsistence	51,355,644		51,355,644	37,422,198	88,777,842
Foreign travel and Subsistence	3,042,475		3,042,475	1,556,006	4,598,481
Training expenses					53,487,577
Hospitality Supplies and Services				114,047	114,047
Insurance costs					355,946
Office and general supplies and services	37,250,008		37,250,008		37,250,008
Other operating expenses					299,500
Consultancy services: – Technical and professional services	239,699,928		239,699,928	143,032,867	404,750,448
Total	331,348,055		331,348,055	191,919,354	613,692,389

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10.6 ACQUISITION OF NON-FINANCIAL ASSETS

	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		Cumulative to- date
			FY 2019/20	FY 2018/19	
	KShs	KShs	KShs	KShs	KShs
Construction of civil works					
Overhaul & refurbishment of construction and civil works				15,959,495	15,959,495
Purchase of vehicles & other transport equipment	10,620,000		10,620,000		10,620,000
Total	10,620,000		10,620,000	15,959,495	26,579,495

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10.7 A: TRANSFERS TO COUNTIES

	Payments made by third parties	Total Payments		Cumulative to-date
		FY 2019/20	FY 2018/19	
	KShs	KShs	KShs	KShs
Amounts disbursed				
• Urban Institutional Grants (UIG)	387,200,000	387,200,000	1,854,000,000	2,241,200,000
• Urban Development Grant (UDG)	8,128,476,121	8,128,476,121	11,464,702,500	19,593,178,621
•				
TOTAL	8,515,676,121	8,515,676,121	13,318,702,500	21,834,378,621

The amounts above are accounted for as below:

10.7 B: ANALYSIS OF AMOUNTS TRANSFERED TO COUNTIES

			Cumulative to-date
	FY 2019/20	FY 2018/19	
	KShs	KShs	KShs
Opening balance (A)	13,318,702,500.00	-	-
Add: Amounts disbursed during the year (B)			
• Urban Institutional Grants (UIG)	387,200,000	1,854,000,000	2,241,200,000
• Urban Development Grant (UDG)	8,128,476,121	11,464,702,500	19,593,178,621
Less: Expenditure incurred (C)			
• Expenditure incurred under UIG (See Annex 3)	(1,056,671,360)	-	(1,056,671,360)
• Expenditure incurred under UDG (See Annex 4)	(7,283,799,728)	-	(7,283,799,728)
Closing balance (A+B-C)	13,493,907,533	13,318,702,500	13,493,907,533

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These balances and supporting documents are held by the government entities and can only be verified there. The ministry maintains a record of all expenditure returns made by the other government entities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.8 CASH AND CASH EQUIVALENTS CARRIED FORWARD

	FY 2019/20	FY 2018/19
	KShs	KShs
Bank accounts (Note 10.8A)	107,285,373	219,958,344
Cash in hand (Note 10.8B)		-
Cash equivalents (short-term deposits) (Note 10.8C)		
Outstanding imprests and advances (Note 10.9)	602,709	-
Total	<u>107,888,082</u>	<u>219,958,344</u>

The project has one project accounts within the project implementation area and one foreign currency designated accounts managed by the National Treasury as listed below:

10.8 A Bank Accounts

Project Bank Accounts

	FY 2019/20	FY 2018/19
	KShs	KShs
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No 1000319283]	107,285,373	219,958,343.50
Others (<i>specify</i>)	-	-
Total local currency balances	<u>107,285,373</u>	<u>219,958,343.50</u>
Total bank account balances	<u>107,285,373</u>	<u>219,958,343.50</u>

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2020 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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts Movement Schedule

	2019/20	2018/19
	KShs	KShs
(i) – KENYA URBAN SUPPORT PROGRAMME – IDA 61340 [A/c No 1000317876]		
Opening balance (USD 426,075)	43,041,532	43,041,532
Total amount deposited in the account(USD 3,606,718.69)	382,023,644	
Total amount withdrawn (as per Statement of Receipts & Payments) (USD 1,300,000)	137,696,000	
Closing balance (as per SDA bank account reconciliation attached) (USD 2,732,793.69)	<u>287,369,176</u>	<u>43,041,532</u>

	2019/20	2018/19
	KShs	KShs
(i) KENYA URBAN SUPPORT PROGRAMME – IDA 61340 [A/c No 1000354507]		
Opening balance (USD 17,647,398.04)	1,804,622,924	1,850,393,832
Total amount deposited in the account(USD 102,368,778.24)	10,776,183,451	11,468,308,668
Total amount withdrawn (as per Statement of Receipts & Payments) (USD 98,542,398.04)	10,320,299,044	11,464,702,500
Closing balance (as per SDA bank account reconciliation attached) (USD 21,473,778.24)	<u>2,260,507,331</u>	<u>1,804,622,924</u>

The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as *Appendix 1* support these closing balances.

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10.8B Cash In Hand

	2019/20	2018/19
	KShs	KShs
Cianda House	-	-
Total cash balances	=	=

There was no cash in hand at the end of the year

10.8C Cash equivalents (short-term deposits)

	2019/20	2018/19
	KShs	KShs
Bank Name, A/c No.	-	-
Total	=	=

There was no short term deposits at the end of the year.

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10.9 OUTSTANDING IMPRESTS AND ADVANCES

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Due Date of Surrender</i>	<i>Amount Surrendered</i>	<i>Balance 2020</i>	<i>Balance 2019</i>
<i>Paul Chepkwony</i>	602,709		0	602,709	-
Total	<u>602,709</u>		<u>0</u>	<u>602,709</u>	

10.10 FUND BALANCE BROUGHT FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts	219,958,343	414,156,104
Cash in hand	-	-
Cash equivalents (short-term deposits)		
Outstanding imprests and advances	-	13,681,088
Total	<u>219,958,343</u>	<u>427,837,192</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.11 PRIOR YEAR ADJUSTMENT

	2019/20	2018/19
	KShs	KShs
Bank accounts	12,327,413	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Receivables - Outstanding Imprests	-	-
Total	12,327,413	-

A total of Ksh 30,679,067 was still unrepresented to the bank for payment by 30th June 2019 despite some being for the years 2017 and 2018. Two payments totalling Ksh 893,980 cleared in the bank in July 2019 leaving Ksh 29,785,087 still pending. Also, on 30th June 2019, a total of Ksh 17,457,674 was in the bank reconciliation as payments in the bank and not recorded in the cash book. The long overdue uncleared payments were reversed in the cash book and the payments in bank were also booked in the cash book. The net amount of Ksh 12,327,413 increased the available opening balance and therefore corrected through the prior year adjustment above.

10.12 CHANGES IN RECEIVABLES

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019	-	-
Imprest issued during the year	54,398,119	-
Imprest surrendered during the Year	(53,795,410)	-
Net changes in account receivables	602,709	-

10.13 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	-	-
Deposit and Retentions held during the year	-	-
Deposit and Retentions paid during the Year	-	-
Net changes in account receivables D= A+B-C	-	-

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11. OTHER IMPORTANT DISCLOSURES

11.1 PENDING ACCOUNTS PAYABLE (See Annex 5A)

	FY 2019/20	FY 2018/19
	Kshs	Kshs
Construction of buildings		
Consultancy services		13,960,031
Supply of goods		
Supply of services	2,661,615	327,618
	2,661,615	14,287,649

11.2 PENDING ACCOUNTS PAYABLE – COUNTIES AND MUNICIPALITIES (See Annex 5B & 5C)

	FY 2019/20	FY 2018/19
	Kshs	Kshs
UIG		2,119,640
UDG		115,234,482
		117,354,122

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12. TRIAL BALANCE AS AT 30 JUNE 2020


GENERAL LEDGER ITEM DESCRIPTION	DR	CR
Opening Balance		219,958,344
GOK Counterpart Funds		79,874,381
IDA Loan Revenue		137,696,000
Prior Year Adjustment		12,327,413
Other Receipts		
Utilities, supplies and services		
Communication, supplies and services		
Domestic travel and subsistence	51,355,644	
Foreign travel and subsistence	3,042,475	
Printing, advertising and information supplies & services		
Training expenses		
Hospitality supplies and services		
Insurance costs		
Office and general supplies and services	37,250,008	
Fuel oil and Lubricants		
Other operating expenses		
Construction of buildings		
Construction of civil works		
Purchase of vehicles & other transport equipment	10,620,000	
Purchase of office furniture & general equipment		
Consultancy services: – Technical and professional services	239,699,928	
Transfers to lower levels of government e.g schools		
Closing Bank Balance	107,285,373	
Outstanding Imprests and Advances	602,709	
TOTAL	449,856,137	449,856,137

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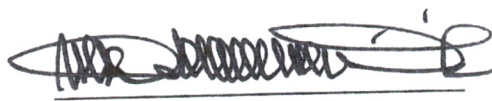
13 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	No expenditure returns were received from the Counties	The Counties to prepare individual financial statements for the Project and submit to OAG for audit and aggregation.	NPCT	Ongoing	



Principal Secretary
23/9/2020
Date



Project Coordinator
23/9/2020
Date

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ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	100,000,000	79,874,381	20,125,619	80%	There was delay in receiving the development exchequer.
Proceeds from domestic and foreign grants	-	-	-	-	
Proceeds from borrowings	9,261,000,000	8,653,372,121	607,627,879	93%	
Miscellaneous receipts	-	-	-	-	
Total Receipts	9,361,000,000	8,733,246,502	627,753,498	93%	
Payments					
Compensation of employees	-	-	-	0%	
Purchase of goods and services	435,000,000	331,348,055	103,651,945	76%	This was caused by the delay in receiving the exchequer and the Covid-19 effects which slowed down implementation of Programme activities.
Social security benefits	-	-	-	-	
Acquisition of non-financial assets	65,000,000	10,620,000	54,380,000	16%	This was caused by the delay in receiving the exchequer and the Covid-19 effects which slowed down implementation of Programme activities
Transfers to other government entities	8,861,000,000	8,515,676,121	345,323,879	96%	
Other grants and transfers	-	-	-	-	
Total payments	9,361,000,000	8,857,644,176	503,355,824	95%	

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ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) 2019/20 (a)	*Purchases/Additions in the Year (KShs) 2019/20 (b)	**Disposals in the Year (KShs) 2019/20 (c)	Closing Cost (KShs) 2019/20 (d)= (a)+ (b)-(c)
Land				
Buildings and structures				
Transport equipment		10,620,000		10,620,000
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets	15,959,495			15,959,495
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	15,959,495	10,620,000		26,579,495

Notes

* Purchases/Additions in the year reconciled to the amount in Statement of Receipts and Payments

** The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold.

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ANNEX 3 – COUNTIES UIG RECEIPTS AND EXPENDITURE REPORTS

County Code	County Name	OPENING BALANCE (A)	DISBURSEMENT DURING THE YEAR (B)	EXPENDITURE DURING THE YEAR (C)	CLOSING BALANCE (D=A+B-C)	ACTUAL CLOSING BALANCE
1	Baringo County	41,200,000	8,800,000	10,933,076	39,066,924	39,066,924
2	Bomet County	41,200,000	8,800,000	15,149,201	34,850,799	34,850,799
3	Bungoma County	41,200,000	8,800,000	34,446,243	15,553,757	15,553,757
4	Busia County	41,200,000	8,800,000	26,781,761	23,218,239	23,218,239
5	Elgeyo Marakwet County	41,200,000	8,800,000	40,283,835	9,716,165	9,716,165
6	Embu County	41,200,000	8,800,000	40,779,844	9,220,156	9,220,156
7	Garissa county	41,200,000	8,800,000	40,706,809	9,293,191	9,293,191
8	Homabay County	41,200,000	8,800,000	4,941,518	45,058,482	45,058,482
9	Isiolo County	41,200,000	8,800,000	34,440,842	15,559,158	15,559,158
10	Kajiado County	41,200,000	8,800,000	811,100	49,188,900	49,188,900
11	Kakamega County	41,200,000	8,800,000	12,708,898	37,291,102	37,291,102
12	Kericho County	41,200,000	8,800,000	26,327,722	23,672,278	23,672,278
13	Kiambu County	41,200,000	8,800,000	39,919,441	10,080,559	10,080,559
14	Kilifi County	41,200,000	8,800,000	15,104,770	34,895,230	34,895,230
15	Kirinyaga County	41,200,000	8,800,000	12,012,378	37,987,622	37,987,622
16	Kisii County	41,200,000	8,800,000	32,091,750	17,908,250	17,908,250
17	Kisumu County	41,200,000	8,800,000	16,259,423	33,740,577	33,740,577
18	Kitui County	41,200,000	8,800,000	20,637,442	29,362,558	29,362,558
19	Kwale County	41,200,000	8,800,000	2,173,150	47,826,850	47,826,850
20	Laikipia County	41,200,000	8,800,000	16,062,364	33,937,636	33,937,636
21	Lamu County	41,200,000	8,800,000	1,738,750	48,261,250	48,261,250
22	Machakos County	41,200,000	8,800,000	22,092,159	27,907,841	27,907,841
23	Makueni County	41,200,000	8,800,000	11,210,185	38,789,815	38,789,815

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County Code	County Name	OPENING BALANCE (A)	DISBURSEMENT DURING THE YEAR (B)	EXPENDITURE DURING THE YEAR (C)	CLOSING BALANCE (D=A+B-C)	ACTUAL CLOSING BALANCE
24	Mandera County	41,200,000	8,800,000	38,078,253	11,921,747	11,921,747
25	Marsabit County	41,200,000	8,800,000	5,382,705	44,617,295	44,617,295
26	Meru County	41,200,000	8,800,000	32,619,075	17,380,925	17,380,925
27	Migori County	41,200,000	8,800,000	27,827,414	22,172,586	22,172,586
28	Muranga County	41,200,000	8,800,000	8,793,450	41,206,550	41,206,550
29	Nakuru County	41,200,000	8,800,000	33,470,076	16,529,924	16,529,924
30	Nandi County	41,200,000	8,800,000	35,188,520	14,811,480	14,811,480
31	Narok County	41,200,000	8,800,000	4,636,967	45,363,033	45,363,033
32	Nyamira County	41,200,000	8,800,000	29,724,843	20,275,157	20,275,157
33	Nyandarua County	41,200,000	8,800,000	11,433,980	38,566,020	38,566,020
34	Nyeri County	41,200,000	8,800,000	11,347,740	38,652,260	38,652,260
35	Samburu County	41,200,000	-	17,726,070	23,473,930	23,473,930
36	Siaya County	41,200,000	8,800,000	32,884,197	17,115,803	17,115,803
37	Taita Taveta	41,200,000	8,800,000	24,534,969	25,465,031	25,465,031
38	Tana River County	41,200,000	8,800,000	4,728,900	45,271,100	45,271,100
39	Tharaka Nithi County	41,200,000	8,800,000	28,345,392	21,654,608	21,654,608
40	Trans Nzoia County	41,200,000	8,800,000	45,725,541	4,274,459	4,274,459
41	Turkana County	41,200,000	8,800,000	41,196,704	8,803,296	8,803,296
42	Uasin Gishu County	41,200,000	8,800,000	36,507,916	13,492,084	13,492,084
43	Vihiga County	41,200,000	8,800,000	40,030,849	9,969,151	9,969,151
44	Wajir County	41,200,000	8,800,000	27,832,658	22,167,342	22,167,342
45	West Pokot County	41,200,000	8,800,000	41,042,481	8,957,519	8,957,519
	TOTAL	1,854,000,000	387,200,000.00	1,056,671,360	1,184,528,640	1,184,528,640

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ANNEX 4 – MUNICIPALITIES UDG RECEIPTS AND EXPENDITURE REPORTS

County Code	Municipality Name	OPENING BALANCE (A)	DISBURSEMENT DURING THE YEAR (B)	EXPENDITURE DURING THE YEAR (C)	CLOSING BALANCE (D=A+B-C)	ACTUAL CLOSING BALANCE
1	Baringo County	52,360,500	37,450,261	33,827,071	55,983,690	55,983,690
2	Bomet County	141,785,991	120,399,579	113,861,215	148,324,356	148,324,356
3	Bungoma County	211,950,033	78,595,946	158,237,910	132,308,069	132,308,069
4	Bungoma County		136,674,552	106,322,586	30,351,966	30,351,966
5	Busia County	101,071,500	72,290,258	69,877,589	103,484,169	103,484,169
6	Elgeyo Marakwet County	55,363,395	64,229,946	81,906,099	37,687,243	37,687,243
7	Embu County	119,892,100	85,751,481	108,552,402	97,091,179	97,091,179
8	Garissa county	233,506,000	167,012,550	85,745,034	314,773,516	314,773,516
9	Homabay County	116,363,050	85,371,975	97,456,101	104,278,925	104,278,925
10	Isiolo County	93,968,100	67,209,631	74,061,811	87,115,920	87,115,920
11	Kajiado County	50,353,354	35,761,940	39,963,114	46,152,179	46,152,179
12	Kajiado County	215,596,947	154,456,032	129,155,492	240,897,487	240,897,487
13	Kakamega County	389,118,800	130,832,053	153,934,307	366,016,546	366,016,546
14	Kakamega County	0	147,480,809	174,327,021	-26,846,212	-26,846,212
15	Kericho County	256,299,000	183,314,988	62,194,621	377,419,367	377,419,367
16	Kiambu County	474,816,943	166,993,811	253,735,191	388,075,563	388,075,563
17	Kiambu County	430,461,603	120,147,029	336,793,471	213,815,161	213,815,161
18	Kiambu County	239,486,476	381,968,486	26,201,933	595,253,029	595,253,029
19	Kiambu County	189,297,570	114,982,718	122,046,150	182,234,139	182,234,139
20	Kiambu County	135,323,395	346,633,544	127,164,013	354,792,926	354,792,926
21	Kiambu County	159,331,700	218,209,772	279,935,548	97,605,925	97,605,925
22	Kilifi County	96,748,312	69,199,425	33,467,928	132,479,809	132,479,809
23	Kilifi County	184,020,544	167,211,673	188,571,459	162,660,758	162,660,758

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County Code	Municipality Name	OPENING BALANCE (A)	DISBURSEMENT DURING THE YEAR (B)	EXPENDITURE DURING THE YEAR (C)	CLOSING BALANCE (D=A+B-C)	ACTUAL CLOSING BALANCE
24	Kirinyaga County	71,302,200	50,998,100	62,114,481	60,185,819	60,185,819
25	Kisii County	80,968,615	117,337,642	148,618,731	49,687,526	49,687,526
26	Kisumu County	685,917,835	553,289,635	476,794,684	762,412,786	762,412,786
27	Kitui County	146,973,072	166,203,043	231,398,913	81,777,201	81,777,201
28	Kwale County	50,000,000	35,761,940	34,215,050	51,546,890	51,546,890
29	Laikipia County	49,783,080	35,761,940	31,169,171	54,375,849	54,375,849
30	Lamu County	48,247,400	35,761,940	16,127,463	67,881,877	67,881,877
31	Machakos County	854,273,534	315,604,411	352,815,196	817,062,749	817,062,749
32	Machakos County	0	217,116,029	209,496,633	7,619,396	7,619,396
33	Machakos County	0	195,621,887	200,611,847	-4,989,959	-4,989,959
34	Makueni County	62,436,390	97,459,583	126,848,572	33,047,400	33,047,400
35	Mandera County	1,084,843,300	125,752,927	172,709,314	1,037,886,913	1,037,886,913
36	Marsabit County	50,000,000	35,761,940	3,485	85,758,455	85,758,455
37	Meru County	177,231,700	83,604,406	90,311,906	170,524,200	170,524,200
38	Migori County(Awendo)	384,315,774	156,909,015	179,470,758	361,754,031	361,754,031
39	Migori County(Rongo)	0	95,572,210	120,303,029	-24,730,818	-24,730,818
40	Migori County(Migori)	0	118,275,535	120,228,939	-1,953,404	-1,953,404
41	Muranga County	62,436,390	44,657,794	61,850,556	45,243,628	45,243,628
42	Nakuru County	1,084,843,300	246,096,146	129,278,631	1,201,660,815	1,201,660,815
43	Nakuru County	0	529,825,869	114,639,097	415,186,771	415,186,771
44	Nandi County	177,231,700	126,762,988	111,514,478	192,480,209	192,480,209
45	Narok County	74,905,300	53,575,177	52,720,306	75,760,171	75,760,171
46	Nyamira County	114,080,300	82,041,681	27,429,830	168,692,151	168,692,151

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County Code	Municipality Name	OPENING BALANCE (A)	DISBURSEMENT DURING THE YEAR (B)	EXPENDITURE DURING THE YEAR (C)	CLOSING BALANCE (D=A+B-C)	ACTUAL CLOSING BALANCE
47	Nyandarua County	135,543,400	96,945,898	87,442,558	145,046,740	145,046,740
48	Nyeri County	234,008,300	169,253,465	232,327,547	170,934,218	170,934,218
49	Samburu County	50,000,000	0	2,069	49,997,931	49,997,931
50	Siaya County	46,646,975	35,761,940	28,956,210	53,452,704	53,452,704
51	Taita Taveta	50,000,000	35,761,940	49,502,903	36,259,036	36,259,036
52	Tana River County	50,000,000	0	0	50,000,000	50,000,000
53	Tharaka Nithi County	18,049,846	35,761,940	39,600,605	14,211,181	14,211,181
54	Trans Nzoia County	287,477,600	213,932,859	232,482,950	268,927,509	268,927,509
55	Turkana County	92,029,200	67,964,279	35,974,600	124,018,879	124,018,879
56	Uasin Gishu County	630,147,800	450,706,153	317,947,195	762,906,759	762,906,759
57	Vihiga County	250,950,700	179,489,676	134,981,916	295,458,460	295,458,460
58	Wajir County	165,643,500	118,474,657	130,611,160	153,506,997	153,506,997
59	West Pokot County	73,392,300	52,493,020	65,960,881	59,924,439	59,924,439
	TOTAL	11,290,794,824	8,128,476,121	7,283,799,728	12,135,471,217	12,135,471,217

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ANNEX 5 A- MINISTRY PENDING BILLS

Davasha Photography	2,661,615
TOTALS	2,661,615

*Kenya Urban Support Programme
Reports and Financial Statements
For the financial year ended June 30, 2020*

ANNEX 5B – COUNTIES UIG PENDING BILLS

County Code	County Name	FY 2019/20 (KSHS)	FY 2018/19 (KSHS)
1	Baringo County	-	-
2	Bomet County	-	-
3	Bungoma County	-	-
4	Busia County	-	-
5	Elgeyo Marakwet County	-	-
6	Embu County	-	-
7	Garissa county	-	-
8	Homabay County	-	-
9	Isiolo County	-	-
10	Kajiado County	-	-
11	Kakamega County	-	-
12	Kericho County	-	-
13	Kiambu County	-	-
14	Kilifi County	-	-
15	Kirinyaga County	-	-
16	Kisii County	-	-
17	Kisumu County	-	-
18	Kitui County	-	-
19	Kwale County	-	-
20	Laikipia County	-	-
21	Lamu County	-	-
22	Machakos County	-	-
23	Makueni County	-	-

County Code	County Name	FY 2019/20 (KSHS)	FY 2018/19 (KSHS)
24	Mandera County	-	-
25	Marsabit County	-	-
26	Meru County	-	-
27	Migori County	-	2,119,640
28	Muranga County	-	-
29	Nakuru County	-	-
30	Nandi County	-	-
31	Narok County	-	-
32	Nyamira County	-	-
33	Nyandarua County	-	-
34	Nyeri County	-	-
35	Samburu County	-	-
36	Siaya County	-	-
37	Taita Taveta	-	-
38	Tana River County	-	-
39	Tharaka Nithi County	-	-
40	Trans Nzoia County	-	-
41	Turkana County	-	-
42	Uasin Gishu County	-	-
43	Vihiga County	-	-
44	Wajir County	-	-
45	West Pokot County	-	-
	TOTAL	-	2,119,640

Kenya Urban Support Programme
Reports and Financial Statements
For the financial year ended June 30, 2020

ANNEX 5B – MUNICIPALITIES UDG PENDING BILLS

County Code	Municipality Name	FY 2019/20 (KSHS)	FY 2018/19 (KSHS)
1	Baringo County	-	-
2	Bomet County	-	-
3	Bungoma County	-	-
4	Bungoma County	-	-
5	Busia County	-	-
6	Elgeyo Marakwet County	-	-
7	Embu County	-	-
8	Garissa county	-	-
9	Homabay County	-	-
10	Isiolo County	-	-
11	Kajiado County	-	-
12	Kajiado County	-	-
13	Kakamega County	-	-
14	Kakamega County	-	-
15	Kericho County	-	-
16	Kiambu County	-	-
17	Kiambu County	-	-
18	Kiambu County	-	-
19	Kiambu County	-	-
20	Kiambu County	-	-
21	Kiambu County	-	-
22	Kilifi County	-	-
23	Kilifi County	-	-
24	Kirinyaga County	-	-
25	Kisii County	-	-

County Code	Municipality Name	FY 2019/20 (KSHS)	FY 2018/19 (KSHS)
26	Kisumu County	-	11,515,391
27	Kitui County	-	-
28	Kwale County	-	-
29	Laikipia County	-	-
30	Lamu County	-	-
31	Machakos County	-	-
32	Machakos County	-	-
33	Machakos County	-	-
34	Makueni County	-	-
35	Mandera County	-	-
36	Marsabit County	-	-
37	Meru County	-	-
38	Migori County(Awendo)	-	-
39	Migori County(Rongor)	-	-
40	Migori County(Migori)	-	-
41	Muranga County	-	-
42	Nakuru County	-	-
43	Nakuru County	-	-
44	Nandi County	-	-
45	Narok County	-	-
46	Nyamira County	-	-
47	Nyandarua County	-	-
48	Nyeri County	-	-
49	Samburu County	-	-
50	Siaya County	-	-

*Kenya Urban Support Programme
Reports and Financial Statements
For the financial year ended June 30, 2020*

County Code	Municipality Name	FY 2019/20 (KSHS)	FY 2018/19 (KSHS)
51	Taita Taveta	-	-
52	Tana River County	-	-
53	Tharaka Nithi County	-	-
54	Trans Nzoia County	-	-
55	Turkana County	-	-

County Code	Municipality Name	FY 2019/20 (KSHS)	FY 2018/19 (KSHS)
56	Uasin Gishu County	-	-
57	Vihiga County	-	103,719,091
58	Wajir County	-	-
59	West Pokot County	-	-
	TOTAL	-	115,234,482

*Kenya Urban Support Programme
Reports and Financial Statements
For the financial year ended June 30, 2020*

APPENDICES

- i. Operational account Bank Reconciliation June 2019
- ii. Operational account Bank Reconciliations June 2020
- iii. Cash Count Certificate/Board of Survey
- iv. Bank certificate
- v. Special Deposit Account statements



REPUBLIC OF KENYA

FO 30

MINISTRY OF TRANSPORT, INFRASTRUCTURE, HOUSING & URBAN DEVELOPMENT
BANK RECONCILIATION STATEMENT

JUNE 2019

KENYA URBAN SUPPORT PROGRAM

BALANCE AS PER THE BANK STATEMENT

LESS: PAYMENT IN CASH BOOK NOT IN BANK STATEMENT
RECEIPT IN BANK STATEMENT NOT IN CASH BOOK

ADD: PAYMENT IN BANK STATEMENT NOT IN CASH BOOK
RECEIPT IN CASH BOOK NOT IN BANK STATEMENT

BALANCE AS PER THE CASH BOOK

		233,179,736.00
(30,679,067.15)		(30,679,067.15)
17,457,674.60		17,457,674.60
		219,958,343.45

I Certify that I have verified the Bank balance in the cash Book with the bank Statement and that the above reconciliation is correct.

Prepared by

Name: Richard M. N. Njiru

Designation: Accountant I

Signature: [Signature]

Verified by

Name: Christine Danby

Designation: Chief Accountant

Signature: [Signature]

APPEDIX 1
PAYMENT IN CASH BOOK NOT IN BANK STATEMENT JUNE 2019

DATE	PV NO	PAYEE	AMOUNT KSH
30-09-2017		KUSP PAYMENTS	7,184,542.0
23-11-2017		MARY MWANGI	62,800.0
23-11-2017		CHARLES MOGAKA	62,800.0
23-11-2017		JENIFFER MUSANGO	62,800.0
23-11-2017		SAMUEL MAKORIWA	162,800.0
23-11-2017		FRANCIS OWADE	125,600.0
23-11-2017		VICTOR OGUTU	62,800.0
23-11-2017		ESTHER MAINA	125,600.0
23-11-2017		MAUREEN OMBUKI	62,800.0
23-11-2017		KEN NYASEDA	62,800.0
23-11-2017		ISAAC MUNGANIA	188,400.0
23-11-2017		PATRICK GACHANJA	62,800.0
23-11-2017		SOLOMON AMBWERE	62,800.0
23-11-2017		FRANCIS NDEREBA	62,800.0
23-11-2017		BERNAGY CONSULTING PURCH	1,915,000.0
23-11-2017		JULIUS KANGA	2,881,810.0
23-11-2017		ISAAC MUNGANIA	168,000.0
23-11-2017		ROSEANNE MURUNGI	56,000.0
23-11-2017		CATHERINE IKIARA	56,000.0
23-11-2017		RAEL RUTO	91,000.0
23-11-2017		PATRICK GACHANJA	56,000.0
23-11-2017		MEDIA MAX ADVERTS	330,600.0
23-11-2017		AKARIM AGENCIES AIRTICKETS	154,600.0
23-11-2017		HEBO LMD TRANSPORT	523,000.0
25-11-2017		NATION MEDIA ADVERTS	540,000.0
25-11-2017		NATION MEDIA ADVERTS	1,530,000.0
25-11-2017		THE STANDARD ADVERTS	558,888.0
25-11-2017		THE STANDARD ADVERTS	807,360.0
25-11-2017		THE STANDARD ADVERTS	406,000.0
01-01-2018		AKARIM AGENCIES AIRTICKETS	562,355.0
01-01-2018		DT DOBIE	153,048.0
01-01-2018		NYABIB MERCHANTS	1,200,000.0
01-01-2018		ZANGO LIMITED	1,036,000.0
01-01-2018		NYABIB MERCHANTS	820,000.0
01-01-2018		ANSODAR COMMERCIAL	880,000.0
09-02-2018		DAVID ABUGA	3,639,617.0
01-04-2018		JULIUS KANGA	2,881,810.0
01-04-2018		OVER CAST	185,855.0
30-06-2019		6% VAT STANDARD GROUP	23,462.0
30-06-2019		6% VAT NYABIB	870,517.0
		TOTAL	30,679,067.0

29,785,087

893,980

Appendix ii

Pg 3

AMOUNT KSH

APPENDIX II
RECEIPTS IN BANK STATEMENT NOT IN CASH BOOK JUNE 2019
01-06-2019

30-06-2019

TOTAL

APPENDIX III

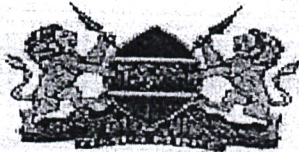
PAYMENT IN BANK STATEMENT NOT IN CASHBOOK JUNE 2019

DATE	CHQ NO	DETAILS	AMOUNT KSH
3/7/2018	FT1818F0H1	SALOME KUNGU	30,000.0
5/7/2018	FT1818862X	MONICA MBUGUA	59,800.0
9/7/2018	FT181900997	JUBILLY TOURS	985,000.0
9/7/2018	FT181908227	VICTOR OGUTU	37,625.0
9/7/2018	FT 1819023B	ISAAC MUGANIA	37,625.0
9/7/2018	F 18190TSCK	SOLOMON AMBERE	128,644.0
10/7/2018	FT 18191BRC	INNOVATION FOR HOUSING	89,300.0
10/7/2018	FT 18191C9C	DT DOBIE	15,661,364.0
11/7/2018	F 18191QZZC	RSN BERE AIC	390,689.0
13/07/2018	FT1819452M	NATION MEDIA GROUP LTD	0.0
11/4/2019	FT1910H306	VAT	0.0
11/4/2019	FT1910KHFS	VAT	0.0
30-06-2019		TOTAL	17,457,674.0

APPENDIX IV

RECEIPTS IN CASHBOOK NOT IN BANK STATEMENT JUNE 2019

DATE	PV NO	DETAILS	AMOUNT KSH
01-06-2019			
30-06-2019			



REPUBLIC OF KENYA

FO 30

MINISTRY OF TRANSPORT, INFRASTRUCTURE, HOUSING & URBAN DEVELOPMENT
BANK RECONCILIATION STATEMENT

Jun-20

KENYA URBAN SUPPORT PROGRAM

BALANCE AS PER THE BANK STATEMENT

LESS: PAYMENT IN CASH BOOK NOT IN BANK STATEMENT
RECEIPT IN BANK STATEMENT NOT IN CASH BOOK

ADD: PAYMENT IN BANK STATEMENT NOT IN CASH BOOK
RECEIPT IN CASH BOOK NOT IN BANK STATEMENT

BALANCE AS PER THE CASH BOOK

	128,758,276.05
23,025,888.00	23,025,888.00
-	
1,552,985.00	1,552,985.00
	107,285,373.05

I certify that I have verified the Bank balance in the cash Book with the bank Statement and that the above reconciliation is correct.

Prepared by

Name: *D. M. Ngugi*

Designation: *Accountant*

Signature: *[Signature]*

verified by

Name: *Christine Dumbya*

Designation: *Principal Accountant*

Signature: *[Signature]*

APPEDIX 1

PAYMENT IN CASH BOOK NOT IN BANK STATEMENT JUNE 2020

DATE	PV NO	PAYEE	C/B No.	AMOUNT KSH
30/6/2020	KUSP 0282	PATRICK NGATIA KIRIUNGE	0043	1,263,500.00
30/6/2020	KUSP 0282	WITHHOLDING TAX	0043	66,500.00
30/6/2020	KUSP 0278	THE STANDARD GROUP	0044	2,853,133.05
30/6/2020	KUSP 0278	WITHHOLDING TAX	0044	50,054.95
30/6/2020	KUSP 0277	NATION MEDIA GROUP	0045	3,019,368.60
30/6/2020	KUSP 0277	WITHHOLDING TAX	0045	52,971.40
30/6/2020	KUSP 0281	PROF CALEB MIRERI	0046	1,083,000.00
30/6/2020	KUSP 0281	WITHHOLDING TAX	0046	57,000.00
30/6/2020	KUSP 0283	LEAH OYAKE OMBIS	0047	1,173,250.00
30/6/2020	KUSP 0283	WITHHOLDING TAX	0047	61,750.00
30/6/2020	KUSP 0284	JEAN ANGELA	0048	1,197,000.00
30/6/2020	KUSP 0284	WITHHOLDING TAX	0048	63,000.00
30/6/2020	KUSP 3465	JENNIFER WAMBUI	0049	1,263,500.00
30/6/2020	KUSP 3465	WITHHOLDING TAX	0049	66,500.00
30/6/2020	KUSP 3424	TOYOTA KENYA	0050	10,436,896.55
30/6/2020	KUSP 3424	WITHHOLDING TAX	0050	183,103.45
30/6/2020	KUSP 3425	SILVER SPRINGS HOTEL	0051	133,026.20
30/6/2020	KUSP 3425	WITHHOLDING TAX	0051	2,333.80
30-06-2020				23,025,888.00

APPENDIX II

RECEIPTS IN BANK STATEMENT NOT IN CASH BOOK JUNE 2020

DATE	CHQ NO	DETAILS	AMOUNT KSH
1/6/2020			
30-06-2020		TOTAL	-

APPENDIX III

PAYMENT IN BANK STATEMENT NOT IN CASHBOOK JUNE 2020

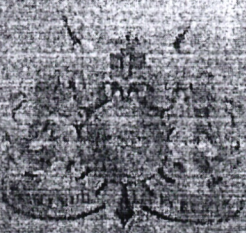
DATE	CHQ NO	DETAILS	AMOUNT KSH
1/8/2020			-
			-
			-
30-06-2020		TOTAL	-

APPENDIX IV

RECEIPTS IN CASHBOOK NOT IN BANK STATEMENT JUNE 2020

DATE	DETAILS	AMOUNT KSH
30/6/2020	KUSP REFUND	1,424,985.00
30/6/2020	KUSP REFUND	128,000.00
		-
30-06-2020	TOTAL	1,552,985.00

BANKI
KULIYA
KENYA



CENTRAL
BANK OF
KENYA

Haile Selassie Avenue
P.O. Box 60000, 00200 Nairobi, Kenya
Telephone: 254 20 500 000, Fax: 541 192

9th July, 2019

CERTIFICATE OF BALANCES

Customer: 139523

STATE DEPT FOR HOUSING URBAN DEV

Balance Date: 30 Jun 20

Account No	Account Name	Currency	Balance
1000395516	REC-STATE DEPT FOR HOUS URB DEV	KES	1,454,953.65
1000395583	DEV-STATE DEPT FOR HOUS URBAN DEV	KES	135,615,099.15
1000395672	DEP-STATE DEPT FOR HOUS URBAN DEV	KES	314,152,872.20
1000395737	CBK165-STATE DEPT FOR HOU URB DEV	KES	0.00
1000396358	RENT FROM GOVT BLDG HOUSING AIA	KES	2,385,280.00
1000396938	NAIROBI METRO SERV IMPR PROJ CFUND	KES	47,164,192.30
1000396946	KENYA URBAN SUPPORT PR IDA A61340 D	KES	128,758,276.05
1000396954	NAIROBI METR SERV IMPR PRI NAMSIP	KES	45,840,600.55

L. K. RWERIA
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

P. S. LENKUME
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

TAM.E.STMT.OF.ACCT.EPRM

Results 1 - 2 of 2

Run Date: 06/07/2020 Run Time: 15:39:12
CENTRAL BANK OF KENYA
BANKI KUU YA KENYA
P.O.BOX 60000-0200
NAIROBI

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000317876

ACCOUNT TITLE : KENYA URBAN SUPPORT PROGRAMME
30/06/2020

STATEMENT PERIOD: From 01/07/2019 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
	OPENING BAL :		426,075.00		
NO.	Value Date	Reference No	Details	Debit	Credit
1	16/04/2020	FT20107F3RML	KENYA URBA FUND	0.00	3,606,718.69
2	11/03/2020	FT201325M97Y	PA124507	-1,300,000.00	0.00
END OF ACCOUNT STATEMENT					Balance
					4032793.69
					2732793.69
					CLOSING BALANCE : 2732793.69

Favourites

TAM.E.STMT.OF.ACCT.EPRM

More Options
Clear Selection Find

Account: equals 1000354507
Statement From: equals 20190701
Statement To: equals 20200630

TAM.E.STMT.OF.ACCT.EPRM

CENTRAL BANK OF KENYA
07 JUL 2020
[Signature]

Appendix Vb

TAM.E.STMT.OF.ACCT.EPRM

Results 1 - 4 of 4

Run Date: 29/07/2020 Run Time: 14:54:12
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2019 To

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000354507

ACCOUNT TITLE : (K) URBAN SUPPORT PROG. CR. 6134-KE
 30/06/2020

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :		17,647,398.04			
NO.	Value Date	Reference.No	Details	Debit	Credit
1	01/07/2019	FT19182N831L	PA 122516	-17,647,398.04	0.00
2	24/06/2020	FT201764RVZ9	FUNDING	0.00	102,368,778.24
3	25/06/2020	FT20177TNHPZ	PA124550	-76,995,000.00	0.00
4	29/06/2020	FT2018141T9G	PA 124904	-3,900,000.00	0.00
				CLOSING BALANCE : 21473778.24	

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM		More Options Clear Selection Find
Account	equals	1000354507
Statement From	equals	20190701
Statement To	equals	20200630

TAM.E.STMT.OF.ACCT.EPRM

