

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

**KENYA TRANSPORT SECTOR
SUPPORT PROJECT CREDIT
NO. 4926 KE AND NO.5410 KE)**

**FOR THE YEAR ENDED
30 JUNE, 2024**

KENYA NATIONAL HIGHWAYS AUTHORITY

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MINISTRY OF ROADS AND TRANSPORT



Kenya National Highways Authority

Quality Highways, Better Connections

PROJECT NAME: KENYA TRANSPORT SECTOR SUPPORT PROJECT

IMPLEMENTING ENTITY: KENYA NATIONAL HIGHWAYS AUTHORITY

PROJECT LOAN NO: 4926-KE / 5410-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024**

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

Kenya Transport Sector Support Project
Annual Report and Financial Statements for the financial year ended June 30, 2024

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1. Acronyms and Definition of Terms

CBK	Central Bank of Kenya
CPA	Certified Public Accountant
EIK	Environment Institute of Kenya
FY	Financial Year
ICPAK	Institute of Certified Public Accountants of Kenya
IDA	International Development Association
IPSAS	International Public Sector Accounting Standards
KeNHA	Kenya National Highways Authority
KISM	Kenya Institute of Supplies Management
Kshs.	Kenya Shillings
KTSSP	Kenya Transport Project Support Project
MRT	Ministry of Roads and Transport
NEMA	National Environment Management Authority
PAP	Project Affected Persons
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
SDG	Sustainable Development Goals
TNT	National Treasury
UA	Unit of Account
USD	United States Dollar

2. Project Information and Overall Performance

2.1 Name and registered office

Project Name:	Kenya Transport Sector Support Project
Objective:	(1) The objective of the project is to increase the efficiency of road transport along the Northern Corridor and the Tanzania – Kenya – Sudan Road Corridor (2) Enhance aviation safety and security to meet international standards; and improve the institutional arrangements and capacity in the transport sector. (3) Improve institutional Arrangements and capacity in the Transport Sector
Address:	The project headquarters offices are at Barabara Plaza, Jomo Kenyatta International Airport, Nairobi, Off Mazao Road
Contacts	Telephone 020-8013842 Email dg@kenha.co.ke , info@kenha.co.ke Website www.kenha.co.ke

2.2 Project Information

Project Start Date:	23 rd May, 2011
Project End Date:	31 st December, 2019
Project Management:	Eng. Henry Gakuru – Director, Development Eng. Clarence O. Karot – Project Engineer
Project Sponsor:	World Bank – International Development Association and the Government of Kenya

2.3 Project Overview

Line Ministry/State Department of the Project	The project is under the supervision of the State Department of Roads under the Ministry of Roads and Transport
Project Number	P-124109
Strategic goals of the project	The strategic goals of the project are as follows: i) Increase efficiency of road transport along the Northern Corridor and the Tanzania – Kenya – Sudan Road Corridor to facilitate trade and regional integration. ii) Promote private sector participation in the management, financing and maintenance of road assets
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals by implementation the project in timely, efficient and effective manner
Areas that the project was formed to intervene	The project was formed to intervene in the following gaps: i) Inefficient road transport along the Northern Corridor and the Tanzania – Kenya – Sudan Road Corridor to facilitate trade and regional integration ii) Lack of sufficient private sector participation in the management, financing and maintenance of road assets
Project duration	Eight years from year 2011 to 2019

Project Information and Overall Performance (Continued)

- 2.4 Bankers** NCBA Bank Limited
 NIC House Branch
 Nairobi
- Co-operative Bank of Kenya
 Upper Hill Branch,
 Nairobi
- National Bank of Kenya
 Hill Park Branch, Nairobi

- 2.5 Independent Auditor** Auditor General
 Office of the Auditor General
 P.O Box 30084-00100
 Nairobi

2.6 Roles and Responsibilities

No.	Names	Title Designation	Key qualification	Responsibilities
1	Eng. Henry Gakuru	Director, Development	Registered Engineer	Project Technical Team Leader
2	Eng. Clarence O. Karot	Deputy Director, Special Projects	Registered Engineer	Team Co-ordinator and Construction Specialist.
3	Eng. P. Omondi	Deputy Director, Special Projects	Registered Engineer	Project Co-ordinator
4	CPA. Chanje Kera	Deputy Director, Finance & Accounts	Certified Public Accountant	Project Financial Management Specialist
5	Mr. W. Nyatwanga	Deputy Director, (Environmental & Social)	Registered Environmental Specialist	Safeguard Specialist
6	Mr. Richard Kilel	Assistant Director, Supply Chain Services	Registered Member KISM	Project Procurement Specialist

2.7 Funding Summary

The project was for a duration of eight years from 23rd May, 2011 to 31st December 2019 with an approved budget of XDR 234,225,000 equivalent to USD 325,621,937 equivalent to Kshs. 29,495,071,705 by IDA and Kshs 26,397,870,609 by GK as highlighted in the table below: -

*Kenya Transport Sector Support Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Project Information and Overall Performance (Continued)

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to 30th June 2024		Undrawn balance to 30th June 2024	
	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
	USD	KSHS	USD	KSHS	USD	KSHS
(i)Loan						
International Development Association - IDA	325,621,937	29,495,071,705	325,621,937	29,495,071,705	-	-
(ii)Counterpart funds						
Government of Kenya		26,397,870,609	-	18,249,760,869	-	8,148,109,740
Total	325,621,937	55,892,942,314		47,744,832,574	-	8,148,109,740

B. Application of Funds

Application of funds	Amount received to date – (30th June 2024)		Cumulative Amount paid to date – (30th June 2024)		Unutilized balance to 30th June 2024	
	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
	USD	KSHS	USD	KSHS	USD	KSHS
(i)Loan						
International Development Association - IDA	325,621,937	29,495,071,705	325,621,937	29,495,071,705	-	-
(ii)Counterpart funds						
Government of Kenya		18,249,760,869	-	18,246,846,114	-	2,914,755
Total	325,621,937	47,744,832,574	325,621,937	47,741,917,819	-	2,914,755

2.8 Summary of Overall Project Performance

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

	2023/2024			Cumulative		
	Actual	Budget	%	Actual	Budget	%
Counterpart Funds - GK	951,186,684	1,059,236,968	90%	18,249,760,868	18,668,014,985	98%
Loan from External Development Partners	-	-	-	29,495,071,706	58,783,622,774	50%
Total	951,186,684	1,059,236,968	90%	47,744,832,574	77,451,637,759	62%

Project Information and Overall Performance (Continued)

ii) Physical progress based on outputs, outcome and impacts since project commencement.

Kisumu – Kakamega Road Project

Date	Outputs-Outcome			Impacts
	Contract Sum Amount	Amount Certified to date	% of Physical Works Completed	
5/01/2013	7,961,527,361	7,955,291,811	100%	1. Improved traffic flow 2. Low transportation costs 3. Enhanced standard of living

Kakamega – Webuye Road Project

Date	Outputs-Outcome			Impacts
	Contract Sum Amount	Amount Certified to date	% of Physical Works Completed	
29/11/2016	5,210,857,261	5,210,857,261	100%	1. Improved traffic flow 2. Low transportation costs 3. Enhanced standard of living

Webuye - Kitale Road Project

Date	Outputs-Outcome			Impacts
	Contract Sum Amount	Amount Certified to date	% of Physical Works Completed	
10/01/2013	5,734,959,347	5,715,281,315	100%	1. Improved traffic flow 2. Low transportation costs 3. Enhanced standard of living

Construction of Three (3) Interchanges (Nyahururu Town Off, Njoro Turn Off and Mau Summit)

Date	Outputs-Outcome			Impacts
	Contract Sum Amount	Impacts	% of Physical Works Completed	
27/10/2014	3,194,933,604	3,194,906,848	100%	1. Improved traffic flow 2. Low transportation costs 3. Enhanced standard of living

Project Information and Overall Performance (Continued)

Bachuma Gate - Maji Ya Chumvi Road Project

Date	Outputs-Outcome			Impacts
	Contract Sum Amount	Amount Certified to date	% of Physical Works Completed	
27/10/2014	4,986,218,101	4,985,613,246	100%	1. Improved traffic flow 2. Low transportation costs 3. Enhanced standard of living

Dualling of Athi River – Machakos Turn-Off Road Project

Date	Outputs-Outcome			Impacts
	Contract Sum Amount	Amount Certified to date	% of Physical Works Completed	
08/3/2016	6,229,173,463	5,717,543,411	90.5%	1. Improved traffic flow 2. Low transportation costs 3. Enhanced standard of living

Dualling of Kisumu Boys – Mamboleo Junction

Date	Outputs-Outcome			Impacts
	Contract Sum Amount	Amount Certified to date	Comments	
04/11/2020	2,837,949,930	1,972,451,789	The Contract was terminated by the Contractor hence the project was re-awarded for completion as below	1. Improved traffic flow 2. Low transportation costs 3. Enhanced standard of living

Completion of Kisumu Boys – Mamboleo Junction

Date	Outputs-Outcome			Impacts
	Contract Sum Amount	Amount Certified to date	% of Physical Works Completed	
09/09/2020	1,314,945,369	1,011,339,781	100%	1. Improved traffic flow 2. Low transportation costs 3. Enhanced standard of living

Project Information and Overall Performance (Continued)

Construction of Ahero Interchange

Date	Outputs-Outcome			Impacts
	Contract Sum Amount	Amount Certified to date	Comments	
5/11/2020	655,908,412	555,432,699	The Contract was terminated by the Contractor hence the project was re-awarded for completion as below	1. Improved traffic flow 2. Low transportation costs 3. Enhanced standard of living

Construction of Kericho Interchange

Date	Outputs-Outcome			Impacts
	Contract Sum Amount	Amount Certified to date	Comments	
5/11/2020	679,950,376	517,849,770	The Contract was terminated by the Contractor hence the project was re-awarded for completion as below	1. Improved traffic flow 2. Low transportation costs 3. Enhanced standard of living

Completion of Kericho & Ahero Interchange

Date	Outputs-Outcome			Impacts
	Contract Sum Amount	Amount Certified to date	% of Physical Works Completed	
18/09/2020	1,388,321,424	1,319,571,521	100%	1. Improved traffic flow 2. Low transportation costs 3. Enhanced standard of living

Construction of Office Complex for the Road Sector Institutions

Date	Outputs-Outcome			Impacts
	Contract Sum Amount	Amount Certified to date	% of Physical Works Completed	
13/03/2017	3,545,946,038	3,410,481,933	100%	1. Improved traffic flow 2. Low transportation costs 3. Enhanced standard of living

Access Road to EASA

Date	Outputs-Outcome			Impacts
	Contract Sum Amount	Amount Certified to date	% of Physical Works Completed	
15th May 2017	351,473,428	350,995,847	100%	1. Improved traffic flow 2. Low transportation costs 3. Enhanced standard of living

Project Information and Overall Performance (Continued)

STATUS OF PROJECTS UNDER DESIGNS PROCESS: -

- (i) Nakuru – Nyahururu –Nyeri - Marua Road Project
 Designs for the Feasibility Study, Environmental and Social Impact Assessment, Preparation of Resettlement Action Plan and the Design and Tender Documentation for Rehabilitation of the Nakuru-Nyahururu-Nyeri-Marua Road report was completed and handed over to the Authority.
- (ii) Lake Victoria Ring Road.
 Designs for the Feasibility Study, Environmental and Social Impact Assessment, Preparation of Resettlement Action Plan and the Design and Tender Documentation for Rehabilitation of the Lake Victoria Ring Road - report was completed and handed over to the Authority.
- (iii) Garsen-Hola-Madogo Sections
 Designs for the Feasibility Study, Environmental and Social Impact Assessment, Preparation of Resettlement Action Plan and the Design and Tender Documentation for Rehabilitation of the Garsen-Hola-Madogo Sections- report was completed and handed over to the Authority.
- (iv) Mombasa Northern Bypass
 Designs for the Feasibility Study, Environmental and Social Impact Assessment, Preparation of Resettlement Action Plan and the Design and Tender Documentation for Rehabilitation of the Mombasa Northern Bypass - report was completed and handed over to the Authority.

iii) absorption rate for each year since the commencement of the project.

Financial Year	Budget	Actual	Percentage (%)
FY 2023/24	1,059,236,968	951,186,684	90%
FY 2022/23	1,715,102,182	1,640,953,520	96%
FY 2021/22	2,758,217,373	2,558,542,921	93%
FY 2020/21	1,924,053,584	1,775,647,808	92%
FY 2019/20	5,561,113,064	4,900,620,761	88%
FY 2018/19	9,191,898,800	9,124,924,884	99%
FY 2017/18	13,117,981,423	11,922,183,093	91%
FY 2016/17	16,258,514,692	4,958,241,310	30%
FY 2015/16	3,830,000,000	3,248,583,141	85%
FY 2014/15	8,868,000,000	3,689,042,195	42%
FY 2013/14	4,766,729,674	1,667,000,787	35%
FY 2012/13	5,115,790,000	305,767,821	6%
FY 2011/12	3,285,000,000	1,010,136,856	31%
Total	77,451,637,759	47,741,917,819	62%

2.9 Summary of Project compliance: -

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

3. Statement of Performance against Project's Predetermined Objectives

Introduction

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

The key development objectives of the *project's agreement* are to:

- a) Increase efficiency of road transport along the Northern Corridor and the Tanzania – Kenya – Sudan Road Corridor to facilitate trade and regional integration.
- b) Improve institutional Arrangements and capacity in the Transport Sector

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:

Objective	Outcome	Indicator	Performance
Increase the efficiency of road transport along the Northern Corridor and the Tanzania - Kenya-Sudan road corridor.	Increased efficient transportation of people, goods and services	Increase efficiency of road transport along the Northern Corridor and the Tanzania – Kenya – Sudan Road Corridor to facilitate trade and regional integration.	Completion of the majority of projects as noted in note 1.8 (b) has led to significant increase in efficiency and trade facilitation
Improve institutional Arrangements and capacity in the Transport Sector	Construction of an Office Complex for the Road Sector Entities	Completion and Occupation of office Complex	Project Completed and opened for use by the road agencies and the public at large
	Marking boundaries for the right of way to secure KeNHA's road assets	Marking of boundaries along target roads	Project completed hence securing the road reserves

4. Environmental and Sustainability reporting

The Kenya Transport Sector Support Project exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

i) Sustainability strategy and profile

Sustainable Development Goals (SDGs) 2015-2030 provides a plan of action for the attainment of peace and prosperity. Five out of the seventeen goals are pertinent to management of projects being undertaken by the Authority. These are being addressed through the following initiatives;

- a) *Good health and well-being (SDG 3)*: The Authority strives to undertake Road Safety Audits to identify accident black spots, implement intervention measures and provide road safety education to reduce accidents;
- b) *Gender Equality (SDG 5)*: The Authority encourages mainstreaming of gender equality in project and programmes by incorporating compliance to one third gender rule in procurement and recruitment;
- c) *Industry, innovation and infrastructure (SDG 9)*: The Authority develops quality , reliable, sustainable and resilient infrastructure including regional and trans-border infrastructure to support economic development and human wellbeing with a focus on affordable and equitable access for all;
- d) *Sustainable cities and communities (SDG 11)*: The Authority endeavours to extend the paved road network to hitherto underserved areas in the region to improve nationwide access to high speed and all – weather connectivity; and
- e) *Climate action (SDG 13)*: The Authority endeavours to combat negative impacts of road development through environmental mitigation, climate change measures and compliance with National Environment Management Authority (NEMA) requirements in all development projects

ii) Environmental performance

The Authority is working towards ensuring environmental sustainability in projects by undertaking tree planting exercises, implementation of road beautification programs, enforce reinstatement of quarries and borrow pits after construction works, undertakes regular Environmental Impact Assessment (EIA) Audits, carries out M&E on Environment and

Environmental and Sustainability reporting (Continued)

Social Management Plan (ESMPs) as well as Environmental Social Impact Assessment (ESIA) on projects.

iii) Employee welfare

In all its staff appointments, the Authority takes deliberate actions to embrace Equal Employment Opportunity policies, gender mainstreaming, addresses concerns around Persons Living with Disabilities (PWDs) and takes affirmative action in line with prevailing Government Policy guidelines. The Authority prioritizes training to develop technical capacity of staff in the fields of Value Engineering, Project Financing, Project Contract Management, Performance Based Maintenance and Safety.

iv) Market place practices

The Authority strives to ensure responsible competition practices through undertaking annual governance audits in projects, monitoring the implementation of policies and further promotes ethical conduct in projects. The Authority equally sensitizes staff on corruption and integrity. The Authority undertakes to be actively involved in the negotiations during budget sector hearings in order to increase budgetary allocations for projects thus honouring contracts by paying its liabilities on time.

v) Community Engagements

During the implementation of the Project, the Authority is committed to remaining a responsible corporate citizen by being accountable for its actions through engaging in Public Participation. The Project's goal in terms of community engagement is to ensure that the projects foster long-term relationships with stakeholders and communities around the project. The aim is not just to build roads that foster development but to ensure collaboration with the local communities to achieve sustainable development. The project staff is also encouraged to give back to society by participating in the Authority's corporate social responsibility projects.

The Contractor has been involved in various CSR activities geared towards providing social amenities to the local residents through drilling of boreholes and construction of water kiosks

Environmental and Sustainability reporting (Continued)

along the project road, improvement of access roads and enhancing learning and playing environment in schools along the project road.

To enhance social safeguards in projects, the Authority undertakes Resettlement Action Plan (RAP) studies and implements its recommendations, carries out Social Impact Assessments (SIA), undertakes gender mainstreaming and conduct stakeholders' forum to sensitize the public in several cross cutting issues.

Some of the CSR activities implemented though the Project are tabulated below.

No.	Road Project	CSR Activity	Status of CSR activity
1	Various	Youth empowerment	The Authority provides internship, industrial attachment and apprenticeship opportunities to young people.
2	Kisumu – Kakamega Road Project	Centres along project road	Gambogi market, Chavakali shoe shine sheds, Sigalagala street lights, Kiboswa, Majengo and Khayega loop roads
		Mwoki School	The Authority constructed 10 new classrooms and administration block. (The leveled pupils' playground, kitchen and a dining hall, toilet for staff and pupils, fencing of school compound was done by the Contractor since they leased school land for quarrying)
		Magongo water supply	Installation of a borehole and an elevated water tower with one 10,000 litre tank to be used by the community.
3	Kakamega – Webuye Road Project	Lubao Market	The amenities include construction of an ablution block and market stalls - ongoing
		Kakoi dispensary	Dispensary Block and Toilet Block - ongoing
		Bukhuywa Secondary school	Construction of two classrooms at Bukhuywa Secondary School - ongoing
		Matete Centre	A modern maternity wing was successfully completed at Matete and awaiting handing over to handed over to the Kakamega County. (The County to furnish the maternity with equipment)
4	Webuye - Kitale Road Project	Webuye Interchange	Constructed an ablution block, septic tank, a borehole, elevated water tank for the community and overhead flood light
		Kamukuywa, Misikhu, Sikhendu and Kiminini centres	The amenities include market stalls at Misikhu, Sikhendu and Kiminini with loop roads. At Kamukuywa a bus park, loop road, toilet, septic tank, borehole and shoe shine shed were constructed
5	Bachuma Gate – Maji ya Chumvi	Samburu and Taru	The amenities include two markets at Samburu and Meli Kubwa, and, three water kiosks erected along the project route. The same have been handed over to County Government for management.

5. Statement of Project Management Responsibilities

The Director General, KeNHA and the Project Technical Team Leader 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 the financial year ended on June 30, 2024. This responsibility includes (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Director General, KeNHA and the Project Technical Team Leader 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 the International Public Sector Accounting Standards.

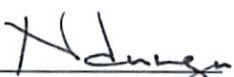
The Director General, KeNHA and Project Technical Team Leader are of the opinion that the Project financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June, 30, 2024 and the Project's financial position as at that date.

The Director General, KeNHA and the Project Technical Team Leader 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 on the adequacy of the systems of internal financial control.


The Director General, KeNHA and the Project Technical Team Leader 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 under audit are used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

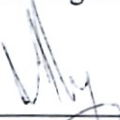
The project financial statements were approved by the Director General, KeNHA and the Project Technical Team Leader on 19 AUG 2024 and signed by:



Eng. Kungu Ndungu, MBS
Director General



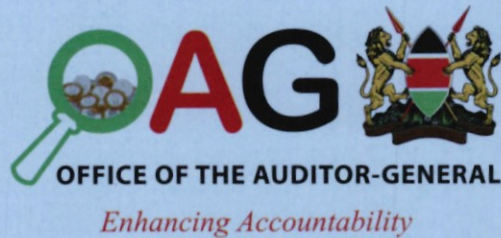
Eng. Henry Gakuru
Director-Development



CPA Chanje Kera
Deputy Director (F&A)
ICPAK Member No. 8279

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA TRANSPORT SECTOR SUPPORT PROJECT (CREDIT NO. 4926 KE AND NO.5410 KE) FOR THE YEAR ENDED 30 JUNE, 2024 - KENYA NATIONAL HIGHWAYS AUTHORITY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Transport Sector Support Project, set out on pages 1 to 21, which comprise of the statement of financial assets as

Report of the Auditor-General on Kenya Transport Sector Support Project (Credit No. 4926 KE and No.5410 KE) for the year ended 30 June, 2024 - Kenya National Highways Authority

at 30 June, 2024, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Transport Sector Support Project Credit No. S 4926-KE and 5410-KE-KENHA as at 30 June, 2024 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.4926-KE dated 23 May, 2011 and as amended through Financing Agreement No.5410-KE dated 31 March, 2014 between International Development Association and the Republic of Kenya and the Public Finance Management Act, 2012.

In addition, the special account statement presents fairly, transactions for the year, and the closing balance has been reconciled with the books of account.

Basis for Opinion

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

Emphasis of Matter

1. Pending Bills

1.1 Long Outstanding Pending Bills

Note 11 to the financial statements on other important disclosures and Annex 4 to the financial statements reflect pending bills amounting to Kshs.7,148,109,740 as at 30 June, 2024. Included in the amount are pending bills totalling Kshs.6,475,353,356 which have been outstanding for long with some dating back to the year 2016.

Management explained that the delay in settling the pending bills was as a result of;

- (i). The exhaustion and lapse of the financing agreement prior to completion of all the project components; and
- (ii). Inadequate budgetary allocations in the year under review as well as the prior years and delays in the release of exchequer funds by the Government as well as non-receipt of all the budgeted exchequer funding.

Failure to clear pending bills in the year to which they relate distorts the budget of the following year as they constitute a first charge on that budget.

1.2 Nugatory Expenditure on Interest on Delayed Payments

Further, included in the pending bills balance of Kshs.7,148,109,740 is an accrued interest amount of Kshs.615,796,001 that resulted from non-payment and delayed payments of the pending bills.

In the circumstances, the Project runs the risk of incurring significant unquantified interest costs and penalties with the continued delay in settling invoiced bills.

2. Lack of Project Closure Report

Review of the project records revealed the Project has continued operations six and a half (6½) years after closure date and no closure report was provided for audit review. It was explained that the delay in projects completion and closure arose due to inadequate funding by the Government.

My opinion is not modified in respect of these matters.

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

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised Report on Lawfulness and Effectiveness in Use of Public Resources. However, although the issues had been discussed by the Public Accounts Committee of the National Assembly, they remained unresolved as at the time of the audit in October, 2024.

Other Information

The Management is responsible for the other information set out on page iii to xiv which comprise of Project Information and Overall Performance, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting and the Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Project's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Delayed Completion of Project

The Project Management entered into various contract agreements for Construction of roads. During the year under review, the Projects status reports revealed that one (1) project had not been completed and was behind schedule. The construction of the second carriageway of the Athi River Machakos turn off section contract number KeNHA/RD/SP/1973/2016 commenced on 8 March, 2017 with completion date of 7 December, 2017 at contract sum of Kshs.5,288,529,208. The contract period and contract sum were varied to 28 April, 2023 and Kshs.6,229,173,463 respectively. However, the project progress report revealed that the project was yet to complete and was at 90.5% complete.

The delayed completion of the project denied the public benefits that could have been derived from the project.

In the circumstances, value for money spent on the project has not been obtained.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

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

Responsibilities of the Management and those Charged with Governance

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

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

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

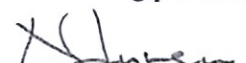
13 November, 2024

*Kenya Transport Sector Support Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

7. Statement of Receipts and Payments for the Year Ended 30th June 2024

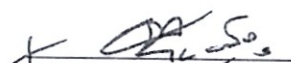
	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payments controlled by the entity	Payments made by third parties	Total	Cumulative to date (From Inception)
		FY 2023/24			FY 2022/23			
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts								
Transfer from Government entities	1	943,187,479	-	943,187,479	1,640,678,060	-	1,640,678,060	17,901,157,982
Loan from external development partners	2	-	-	-	-	-	-	29,495,071,705
Miscellaneous receipts	3	-	-	-	275,460	-	275,460	348,602,887
Total Receipts		943,187,479	-	943,187,479	1,640,953,520	-	1,640,953,520	47,744,832,574
Payments								
Purchase of goods and services	4	1,143,010	-	1,143,010	13,103,892	-	13,103,892	436,940,896
Acquisition of non-financial assets	5	950,043,674	-	950,043,674	1,619,574,962	-	1,619,574,962	47,131,472,738
Miscellaneous Payments	6	-	-	-	8,008,052	-	8,008,052	173,504,185
Total Payments		951,186,684	-	951,186,684	1,640,686,906	-	1,640,686,906	47,741,917,819
Surplus/(Deficit)		(7,999,205)	-	(7,999,205)	266,614	-	266,614	2,914,755

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


Eng. Kungu Ndungu, MBS
Director General

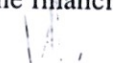
19 AUG 2024

Date


Eng. Henry Gakuru
Director-Development

19 AUG 2024

Date


CPA Chanje Kera
Deputy Director (F&A)
ICPAK Member No. 8279

19 AUG 2024

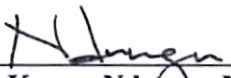
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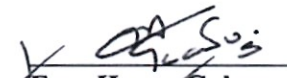
Kenya Transport Sector Support Project
Annual Report and Financial Statements for the financial year ended June 30, 2024


8. Statement of Financial Assets and Liabilities as at 30th June 2024

	Note	2023/24 Kshs	2022/23 Kshs
Financial Assets			
Cash and Cash equivalents	7	519,328,023	670,510,323
Total Financial Assets (A)		519,328,023	670,510,323
Financial Liabilities			
Payables - Retentions	8	516,413,268	659,596,362
Total Financial Liabilities (B)		516,413,268	659,596,362
Net Financial Assets (A-B)		2,914,755	10,913,961
Represented By:			
Fund Balance B/fwd.	10	10,913,961	10,647,347
Surplus/Deficit for the year		(7,999,205)	266,614
Net Financial Assets		2,914,755	10,913,961

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 19 AUG 2024 and signed by:


 Eng. Kungu Ndungu, MBS
 Director General


 Eng. Henry Gakuru
 Director-Development


 CPA Chanje Kera
 Deputy Director (F&A)
 ICPAK Member No. 8279

*Kenya Transport Sector Support Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

9. Statement of Cash flows for the year ended 30th June 2024

	Note	2023/24 Kshs	2022/23 Kshs
Cashflow from operating activities			
Receipts			
Transfer from Government entities	1	943,187,479	1,640,678,060
Miscellaneous receipts	3	-	275,460
Total Receipts		943,187,479	1,640,953,520
Payments			
Purchase of goods and services	4	(1,143,010)	(13,103,892)
Miscellaneous Payments		-	(8,008,052)
Total Payments		(1,143,010)	(21,111,944)
Net cash flow from operating activities		942,044,469	1,619,841,576
Cashflow From Investing Activities			
Acquisition of Non-Financial Assets	5	(950,043,674)	(1,619,574,962)
Increase (Decrease) in Accounts Payables - Retentions		(143,183,094)	(99,437,896)
Net cash flows from Investing Activities		(1,093,226,768)	(1,719,012,858)
Cashflow From Financing Activities			
Proceeds from Foreign Borrowings	2	-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(151,182,299)	(99,171,283)
Cash & cash equivalent at beginning of the year		670,510,323	769,681,606
Cash and cash equivalent at end of the year		519,328,023	670,510,323

*Kenya Transport Sector Support Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2024

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	
	Kshs	Kshs	Kshs	Kshs	Kshs	f=d/c %
Receipts						
Transfer from Government entities	658,096,564	401,140,404	1,059,236,968	943,187,479	116,049,489	89%
Miscellaneous receipts	-	-	-	-	-	-
Total Receipts	658,096,564	401,140,404	1,059,236,968	943,187,479	116,049,489	89%
Payments						
Purchase of goods and services	658,096,564	401,140,404	1,059,236,968	1,143,010	108,050,284	90%
Acquisition of non-financial assets:				950,043,674		
Miscellaneous Payments	-	-	-	-	-	-
Total Payments	658,096,564	401,140,404	1,059,236,968	951,186,684	108,050,284	90%
Surplus or Deficit	-	-	-	(7,999,205)	7,999,205	

Note: The significant budget utilisation/performance differences in the last column are explained in **Annex 2** to these financial statements.

11. Significant Accounting Policies

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

a) 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.

b) Reporting entity

The financial statements are for the Kenya Transport Sector Support Project under the Kenya National Highways Authority. The financial statements are for the Kenya Transport Sector Support Project as required by Section 81 of the PFM Act, 2012.

c) Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), the project's functional and reporting currency. All values are rounded to the nearest Kenya Shilling.

d) Recognition of receipts

The Kenya Transport Sector Support Project recognizes all receipts from various sources when an event occurs, and the related cash is received.

i) Transfers from the Exchequer

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

Significant Accounting Policies (continued)

ii) External Assistance

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

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing.

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

vi) Undrawn external assistance

These are loans and grants at the reporting date 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. The funding summary analyzes the Project's undrawn external assistance.

e) Recognition of payments

The Kenya Transport Sector Support Project recognises all payments when the event occurs, and the related cash has been paid out by the Project.

i) Compensation to employees

Salaries, wages, Allowances, and Statutory Contributions for employees are recognized when the compensation is paid.

Significant Accounting Policies (continued)

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

f) In-kind donations

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

g) Cash and cash equivalents

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

Significant Accounting Policies (continued)

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.

h) 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.

i) Imprests and Advances

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.

j) 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,

Significant Accounting Policies (Continued)

The Project does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. There were no contingent liabilities in the year.

Contingent Assets

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

k) Pending bills

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

l) Budget

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

Significant Accounting Policies (Continued)

budget for the financial year/period under review has been *included in an annex to these financial statements*.

m) Third-party payments

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

and are disclosed in the payment to third parties' column in the statement of receipts and payments.

n) Exchange rate differences

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

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2024.

q) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). There were no prior period adjustments in the financial year.

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	FY 2023/24	FY 2022/23	Cumulative to- date (from Inception)
	Kshs	Kshs	Kshs
Counterpart funds Quarter 1	-	974,342,154	3,500,526,554
Counterpart funds Quarter 2	-	-	2,530,895,142
Counterpart funds Quarter 3	186,773,582	294,285,306	2,891,903,616
Counterpart funds Quarter 4	-	-	7,849,368,174
TOTAL	186,773,582.00	1,268,627,460	16,772,693,486
<i>Other transfers from government entities</i>			
Fuel Levy funds Quarter 1	-	-	-
Fuel Levy funds Quarter 2	140,000,000	-	140,000,000
Fuel Levy funds Quarter 3	140,000,000	-	140,000,000
Fuel Levy funds Quarter 4	280,000,000	-	280,000,000
Total	560,000,000	-	560,000,000
Annuity fund			
Annuity funds Quarter 1	-	-	-
Annuity funds Quarter 2	-	-	-
Annuity funds Quarter 3	-	12,500,000	12,500,000
Annuity funds Quarter 4	-	331,853,223	331,853,223
Total	-	344,353,223	344,353,223.00
Appropriations-in-Aid	196,413,897	27,697,377	224,111,274
Total	196,413,897	27,697,377	224,111,274
Grand Total	943,187,479	1,640,678,060	17,901,157,982

2. Loan from External Development Partners

The Project's financing agreement lapsed on 31st December 2019 hence no funding from Development Partners was received in form of loans negotiated by the National Treasury in the current FY (FY 2022/23 Kshs Nil). A cumulative amount of Kshs 29,495,071,705 was however utilized in the project.

*Kenya Transport Sector Support Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Notes to the Financial Statements (Continued)

3. Miscellaneous Receipts

Description	FY 2023/24			FY 2022/23	Cumulative to-date
	Receipts controlled by the entity in Cash	Receipts Controlled by third parties	Total Receipts	Total Receipts	
	Kshs	Kshs	Kshs	Kshs	Kshs
Bank Interest	-	-	-	275,460	139,714,078
Advance Payment Guarantee Recall - Vil Ltd	-	-	-	-	208,888,809
Total	-	-	-	275,460	348,602,887

4. Purchase of Goods and Services

Description	FY 2023/24			FY 2022/23	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Communication, supplies and services	-	-	-	-	15,922,489
Domestic travel and subsistence	1,143,010	-	1,143,010	13,103,892	286,347,487
Training expenses	-	-	-	-	134,670,920
Total	1,143,010	-	1,143,010	13,103,892	436,940,896

Notes to the Financial Statements (Continued)

5. Acquisition of Non-Financial Assets

Description	FY 2023/24			FY 2022/23	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Construction of roads	950,043,674	-	950,043,674	1,619,574,962	42,829,064,268
Purchase of office furniture & general equipment	-	-	-	-	35,285,439
Research, studies, project preparation, design & supervision	-	-	-	-	4,197,339,836
Acquisition of other intangible assets	-	-	-	-	69,783,195
Total	950,043,674	-	950,043,674	1,619,574,962	47,131,472,738

6. Miscellaneous Expenditure

Description	FY 2023/24			FY 2022/23	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Interest Overcharge	-	-	-	-	11,015,603
Refunds to IDA in relation to encashment of VIL Ltd Advance Payment Guarantee	-	-	-	-	154,480,530
Transfers to Revenue Account	-	-	-	8,008,052	8,008,052
Total	-	-	-	8,008,052	173,504,185

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Notes to the Financial Statements (Continued)

7. Cash and Cash Equivalents

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Bank accounts	519,328,023	670,510,323
Total	519,328,023	670,510,323

7A - Bank Accounts

Details	FY 2023/2024	FY 2022/23
	Kshs	Kshs
NCBA A/C No. 1625990181	-	2,914,755
NBK A/C No. 0100132733200	516,413,268	561,158,483
KCB Bank Call Deposit A/C No. 1110623704	-	98,437,879
Co-operative Bank of Kenya A/C 01141160979900	2,914,755	7,999,206
Total bank account balances	519,328,023	670,510,323

Special Deposit Accounts

The Project Special Account was closed after the financing agreement lapsed on 31st December 2019

8. Accounts Payables – Retentions

Description	FY 2023 - 2024		FY 2022 - 2023	
		Kshs		Kshs
Retention		516,413,268		659,596,362
Total		516,413,268		659,596,362
	2023 - 2024	% of the Total	2022 - 2023	% of the Total
Ageing analysis:				
Under one year	1,323,048	0.3%	17,840,984	3%
1-2 years	17,840,984	3%	26,050,299	4%
2-3 years	26,050,299	5%	-	0%
Over 3 years	471,198,938	91%	615,705,080	93%
Total	516,413,268	100%	659,596,362	100%

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Notes to the Financial Statements (Continued)

9. Changes in Accounts Payable –Retentions

Description	FY 2023 - 2024	FY 2022 - 2023
	Kshs	Kshs
Retentions as at 1 st July	659,596,362	759,034,258
Closing accounts payables as at 30 th June	516,413,268	659,596,362
Change in payables	(143,183,094)	(99,437,896)

10. Fund Balance Brought Forward

	FY 2023/24	FY 2022/23
	Kshs	Kshs
Bank accounts	670,510,323	769,681,605
Deposits and retention	(659,596,362)	(759,034,258)
Total	10,913,961	10,647,347

Other Important Disclosures

11. Pending Accounts Payable (Annex 4)

Description	Balance b/f FY 2023/2024	Additions for the period	Paid during the year	Balance c/f FY 2023/2024
	Kshs	Kshs	Kshs	Kshs
Construction of Roads	6,760,842,178	563,625,088	290,809,530	7,033,657,736
Supervision Services	164,774,540	608,911,608	659,234,144	114,452,004
Supply of Goods and Services	-	1,143,010	1,143,010	-
Total	6,925,616,718	1,173,679,705	951,186,684	7,148,109,740

13. Annexes

Annex 1 - Prior Year Auditor-General's Recommendations

Ref. No.	OBSERVATION	RESPONSE	Status:	Time Frame
	<p>Emphasis of Matter: Long Outstanding Pending Bills</p> <p>Note 1 Other important disclosures and Annex 4 to the financial statements reflects pending accounts payable of Kshs. 6,925,616,718 as at 30 June, 2023. The pending bills has been outstanding for a long some dating back to year 2010. Failure to settle pending bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year in which they form a first charge.</p> <p>Further, pending bills balance of Kshs 6,925,616,718 includes pending payments of Kshs 3,831,471,877 owed to a company arising from court awards in determination of several disputes.</p>	<p>We agree with the observation that the project had outstanding bills amounting to Kshs 6,925,616,718 as at 30 June 2023. The KTSSP project was co-financed by GoK and the International Development Association (IDA) whose credit and financing ended on 30 December 2019 prior to completion of all the project components. Following the exhaustion and lapse of the credit from the Development Partner, the Government took up the responsibility of ensuring the projects are financed in order to facilitate their completion for use by the public.</p> <p>The accumulation of pending bills has however resulted from inadequate GK budgetary allocations in the current as well as prior financial years, as well as delays in release of exchequer funds.</p>	<p>Not Resolved</p>	<p>FY 2024/25</p>

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		In FY 2023/24, the Authority secured budgetary allocations amounting to Kshs 945,568,099 which were utilized in settling part of the pending bills. The Authority will also endeavor to allocate sufficient budgets in subsequent financial years in order to ensure that all the pending bills are settled		
	<p>Review of the records provided, revealed that the delayed payments of the awards has continued to attract interest which amounted to Kshs 852,887,652 as at 30 June, 2023 (Kshs 412,570,553-June, 2022). In addition, there were new claims on disputes amounting to Kshs 184,626,698 during the year under review.</p> <p>In the circumstances, the project continues to incur nugatory expenditures in form of interests and penalties due to continued delay in payment of court awards that could have been avoided.</p>	<p>We agree with the audit observation that the project attracted interest on delayed payments. This situation arose from;</p> <p>a) The exhaustion and subsequent lapse of Development partner financing/credit prior to completion of all the project components.</p> <p>b) Inadequate GK budgetary allocations in the current as well as prior financial years, in addition to delays in release of exchequer funds.</p> <p>In order to facilitate settlement of the pending bills and to curtail further accumulation of pending bills, the Authority has been and continues to closely liaise with the parent ministry and the National Treasury in an effort to secure sufficient budgetary allocation.</p>	Not Resolved	FY 2024/25

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	<p>Project Closure Report Review of the financing agreement for the project revealed that the project was to end on 31 December 2018. However, as previously reported, the project closure report was not provided for audit review, being more than four and a half (4½) years since the project closing date</p>	<p>It is true that the Project closure report was not availed during the time of audit. The Project closure report is currently under design to close of the IDA projects component.</p>	<p>Not Resolved</p>	<p>FY 2024/25</p>
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Kenya Transport Sector Support Project
Annual Report and Financial Statements for the financial year ended June 30, 2024

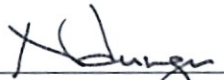
	<p>Basis for Conclusion: Delayed Completion of Projects The Project Management entered into various contract agreements for Construction of roads. During the year ended 30 June, 2023, the Projects status reports indicated that three (3) projects had not been not been completed and were behind schedule as analyzed below:</p> <p>Construction of the second carriageway of the Athi River-Machakos Turnoff section Contract number KeNHA/RD/SP/1976/2016 commenced on 8 March, 2017 with the completion date of 7 December, 2017 at contract sum of Kshs 5,288,529,207.85. The contract period and the contract sum were varied to 28 April, 2023 and Kshs 6,229,173,463 respectively. However, the project progress report revealed that the project was yet to complete and was at 90.3% compete</p>	<p>We agree with the audit observation that the project had achieved a progress of 90.3% as at 30 June 2023.</p> <p>The project had however delayed due to:</p> <ol style="list-style-type: none"> 1. Exhaustion of development partner financing prior to completion of the project 2. Insufficient GK budgetary allocations in the current as well as previous financial years. This has led to cashflow challenges on the part of the contractor hence challenges in completion of the project. <p>The Authority shall endeavour to allocate budgets in subsequent financial years and also continue liaising with Parent ministry and the National Treasury for adequate budgetary allocation and timely release of exchequer funds to facilitate completion of the project whose progress stood at 90.5% as at 30 June 2024.</p>	<p>Not Resolved</p>	<p>FY 2024/25</p>
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Kenya Transport Sector Support Project
Annual Report and Financial Statements for the financial year ended June 30, 2024

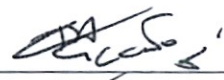
	<p>Completion of dualling of Kisumu Boys' Roundabout (JNA1/B1)- Mamboleo Junction (JN A1/C34) road commenced on 4 November, 2020 with completion date of 4 November, 2021 at contract sum of Kshs 1,314,945,369. However, the project progress report revealed that the project was yet to complete and was at 72.1% complete despite the fact that the contract period had expired</p>	<p>We agree with the audit observation that the project was at 72.1% completion rate as at 30 June 2023.</p> <p>The project had however delayed due to:</p> <ol style="list-style-type: none"> 1. Exhaustion of development partner financing prior to completion of the projects 2. Insufficient budgetary allocations in the current as well as previous financial years. This has led to cashflow challenges on the part of the contractors hence challenges in completion of the projects. <p>Subsequently, the project was substantially completed on 28th August, 2023 and opened for public use.</p>	<p>Not Resolved</p>	<p>FY 2024/25</p>
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	<p>Completion of Ahero Interchange at Junction B1/A1 & Kericho Interchange at B1/C23 Junction commenced on 4 November, 2020 with completion date of 4 November, 2021 at contract sum of Kshs 1,388,321,424. The contract period was varied to 11 January, 2023. However, the project progress report revealed that the projects were yet to complete and were at 96% (Ahero) and 89% (Kericho) complete.</p> <p>Delayed completion of the projects denied the public benefits that could have been derived from the projects</p>	<p>We agree with the audit observation that the projects were at 96% and 89% completion rates respectively as at 30 June 2023.</p> <p>The project has however delayed due to:</p> <ol style="list-style-type: none"> 1. Exhaustion of development partner financing prior to completion of the projects 2. Insufficient budgetary allocations in the current as well as previous financial years. This has led to cashflow challenges on the part of the contractors hence challenges in completion of the projects. <p>In spite of the above challenges, the contractor continued to work and substantially completed the projects on 18th July 2023 (Kericho interchanges) and 31st March 2023 (Ahero Interchanges).</p>	<p>Not Resolved</p>	<p>FY 2024/25</p>
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Eng. Kungu Ndungu, MBS
Director General

19 AUG 2024
Date


Eng. Henry Gakuru
Director-Development

19 AUG 2024
Date

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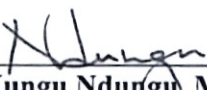
Annex 2 - Variance Explanations - Comparative Budget and Actual amounts For Current FY

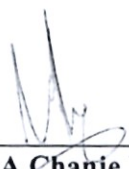
	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
Receipts	a	b	c=a-b	d=b/a %	
Transfer from Government entities	1,059,236,968	943,187,479	116,049,489	89%	Exchequer budget under funded in the financial year
Miscellaneous receipts	-	-	-	-	
Total Receipts	1,059,236,968	943,187,479	116,049,489	89%	
Payments					
Purchase of goods and services		1,143,010			
Acquisition of non-financial assets:	1,059,236,968	950,043,674	108,050,284	90%	
Miscellaneous Payments	-	-	-	-	
Total Payments	1,059,236,968	951,186,684	108,050,284	90%	

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Annex 3 - Reconciliation of Inter-Entity Transfers

Break down of Transfers from the State Department of Roads		
Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
a. Government Counterpart Funding		
13/03/2024	138,526,142	FY 2023/24
13/03/2024	48,247,440	FY 2023/24
Total	186,773,582	
Others		
b. Fuel Levy Funds		
01/11/2023	140,000,000	FY 2023/24
12/02/2024	140,000,000	FY 2023/24
29/04/2024	140,000,000	FY 2023/24
17/06/2024	140,000,000	FY 2023/24
Total	560,000,000	
c. Annuity fund		
Total	-	
d. Appropriations-in-Aid		
19-Sep-23	10,000,000	FY 2023/24
19-Jun-24	72,745,028	FY 2023/24
02-Jun-24	113,668,869	FY 2023/24
Total	196,413,897	
Total (a+b+c+d)	943,187,479	


Eng. Kungu Ndungu, MBS
Director General


CPA Chanje Kera
Deputy Director (F&A)
ICPAK Member No: 8279

Kenya Transport Sector Support Project
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Annex 4 – Analysis of Pending Bills

Supplier of Goods or Services	Date Invoiced	Original Amount	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	IPC No
				2024	2023	
		a	b	c=a-b		
Construction of Roads Works						
Jiangxi Zhongmei Eng.Co.Ltd	2017-12-20	37,073,029	-	37,073,029	37,073,029	22
Jiangxi Zhongmei Eng.Co.Ltd	2018-11-22	58,351,538	-	58,351,538	58,351,538	31
Jiangxi Zhongmei Eng.Co.Ltd	2020-01-10	80,800,872	64,512,796	16,288,076	16,288,076	38
Jiangxi Zhongmei Eng.Co.Ltd	2021-11-20	52,271,643	-	52,271,643	52,271,643	40
Jiangxi Zhongmei Eng.Co.Ltd	2021-07-21	295,421,014	152,500,000	142,921,014	142,921,014	42(claim)
Jiangxi Zhongmei Eng.Co.Ltd	2018-11-22	447,685,104	424,085,462	23,599,642	23,599,642	10
Jiangxi Zhongmei Eng.Co.Ltd	2019-04-02	406,562,790	403,060,849	3,501,941	3,501,941	12
Jiangxi Zhongmei Eng.Co.Ltd	2021-11-24	193,421,581	177,492,561	15,929,020	15,929,020	16C
Jiangxi Zhongmei Eng.Co.Ltd	2021-09-30	160,755,692	-	160,755,692	160,755,692	16D
China Dalian	2017-09-19	11,993,013	7,000,000	4,993,013	4,993,013	19A
China Dalian	2019-10-22	30,033,716	-	30,033,716	30,033,716	27A
China Railway No.10	2021-11-08	69,205,849	62,212,922	6,992,927	6,992,927	6
China Railway No.10	2021-02-18	74,010,969	72,905,287	1,105,682	27,534,674	7
China Railway No.10	22-7-2022	147,112,035	18,178,431	128,933,604	147,112,035	8
China Railway No.10	2023-12-18	249,148,712	-	249,148,712	-	10
China Railway No.10	2023-12-22	73,694,507	-	73,694,507	-	11
Sbi International	2018-11-12	93,236,312	84,451,636	8,784,675	8,784,675	14
Sbi International	2019-03-05	120,989,547	120,922,016	67,531	67,531	16
Sbi International	2019-07-09	122,729,643	122,335,514	394,129	394,129	20
Sbi International	2020-08-27	126,087,384	-	126,087,384	126,087,384	21
Sbi International	2021-06-30	1,261,922,327	1,200,000,000	61,922,327	491,922,327	HCC075
Sbi International	2020-02-14	531,143,067	-	531,143,067	531,143,067	Court Award-E228
Sbi International	2020-07-10	774,730,308	-	774,730,308	774,730,308	Court Award-E377
Sbi International	2021-10-07	282,003,814	-	282,003,814	282,003,814	DAB-08
Sbi International	2022-01-13	201,323,929	-	201,323,929	201,323,929	DAB-09
Sbi International	2022-07-11	114,216,281	-	114,216,281	114,216,281	DAB-10
Sbi International	2022-09-08	239,023,274	-	239,023,274	239,023,274	DAB-11
Sbi International	2024-03-06	34,710,606	-	34,710,606	-	Inv. 1912-0060324
China railway 21st	2022-10-07	36,122,926	12,442,886	23,680,040	36,122,926	39
China railway 21st	2023-03-02	301,162,296	301,162,296	-	292,977,892	40
China railway 21st	2023-05-10	285,456,232	-	285,456,232	285,456,232	41
China railway 21st	2023-05-10	28,905,817	-	28,905,817	28,905,817	41A
China railway 21st	2023-10-01	308,020,073	-	308,020,073	-	42

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Supplier of Goods or Services	Date Invoiced	Original Amount	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	IPC No
				2024	2023	
China railway 21st	2024-01-30	66,344,946	-	66,344,946	-	42A
Sbi International	2019-02-12	59,831,662	58,687,297	1,144,365	1,144,365	11
Sbi International	2018-12-27	130,367,335	118,221,305	12,146,030	12,146,030	10
Sbi International	2020-08-31	22,495,859	-	22,495,859	22,495,859	17
Sbi International	2019-08-28	149,719,262	-	149,719,262	149,719,262	Court Award-E229
Sbi International	2020-02-27	166,361,520	-	166,361,520	166,361,520	Court Award-E229
Sbi International	2020-07-10	206,892,032	-	206,892,032	206,892,032	Court Award-E375
Sbi International	2022-02-07	94,560,355	-	94,560,355	94,560,355	DAB-5
Sbi International	2022-08-02	70,410,417	-	70,410,417	70,410,417	DAB-6
Sbi International	2023-07-07	199,667,839	-	199,667,839	-	DAB-7
Zhongmei Engineering	2022-03-08	128,030,515	122,387,026	5,643,489	28,507,785	8
Zhongmei Engineering	18.08.2022	87,597,969	30,694,720	56,903,249	83,941,950	9
Zhongmei Engineering	15.12.2022	233,730,605	-	233,730,605	222,248,983	10
Zhongmei Engine	04.04.2023	86,235,682	-	86,235,682	100,931,921	11
Zhongmei Engineering	2023-05-16	90,306,245	-	90,306,245	90,306,245	12
Zhongmei Engineering	2024-01-08	115,666,722	-	115,666,722	-	13A
Zhongmei Engineering	2024-01-08	18,907,517	-	18,907,517	-	13B
Zhongmei Engineering	2024-04-17	46,479,420	-	46,479,420	-	14
Sbi International	2019-02-21	27,055,033	24,457,941	2,597,092	2,597,092	12
Sbi International	2020-07-10	266,827,491	-	266,827,491	266,827,491	Court Award-E374
Sbi International	2022-02-17	35,976,280	-	35,976,280	35,976,280	DAB
Sbi International	2024-03-06	18,513,444	-	18,513,444	-	Inv 1925-060324
China National Aero-Technology	2021-04-13	34,115,928	-	34,115,928	34,115,928	18A
China National Aero-Technology	2020-09-12	316,764,775	92,045,465	224,719,310	249,911,720	17C
China National Aero-Technology	2022-08-01	60,466,832	-	60,466,832	60,466,832	19
Land Compensation						
Land Compensation	Various dates	522,358,595	368,435,006	153,923,589	153,923,589	
Land Compensation	Various dates	2,645,660,090	2,252,668,332	392,991,758	392,991,758	
Land Compensation	Various dates	60,903,555	49,846,380	11,057,175	11,057,175	
Land Compensation	Various dates	361,493,995	198,703,953	162,790,042	162,790,042	
Total Construction of Roads		13,573,067,818	6,539,410,082	7,033,657,736	6,760,842,178	
Supervision Services						
Egis International	2021-10-19	5,526,493	527,453	4,999,040	4,999,040	57
Egis International	2022-09-07	5,040,078	-	5,040,078	5,040,078	82
Intercontinental Consultants & Technocrats Pvt	2020-11-04	7,946,239	7,946,239	-	4,999,999	52
Intercontinental	2020-11-04	3,719,063	3,719,063	-	3,719,063	53(Tax)

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Supplier of Goods or Services	Date Invoiced	Original Amount	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	IPC No
				2024	2023	
Consultants & Technocrats Pvt						
Intercontinental Consultants & Technocrats Pvt	2020-11-04	7,183,854	7,183,854	-	7,183,982	54
Intercontinental Consultants & Technocrats Pvt	2020-11-04	95,189	-	95,189	95,189	55(Tax)
Cas Consultants & Itec Jv	2022-05-27	9,862,320	9,862,320	-	5,000,000	13
Cas Consultants & Itec Jv	2022-05-27	8,331,816	8,331,816	-	8,069,256	17
Cas Consultants & Itec Jv	2022-05-27	6,976,472	6,976,472	-	6,976,472	18
Cas Consultants & Itec Jv	2022-06-03	6,891,328	6,573,836	317,492	-	19
Cas Consultants & Itec Jv	2022-06-29	6,658,980	-	6,658,980	-	20
Cas Consultants & Itec Jv	2022-10-31	6,732,408	-	6,732,408	-	21
Cas Consultants & Itec Jv	2022-11-01	5,828,304	-	5,828,304	-	22
Cas Consultants & Itec Jv	2022-11-01	6,246,020	-	6,246,020	-	23
Intercontinental Consultants & Technocrats Pvt	2020-11-05	8,757,183	8,757,183	-	2,420,221	44
Intercontinental Consultants & Technocrats Pvt	2020-11-05	9,332,563	9,332,563	-	6,798,485	45
Intercontinental Consultants & Technocrats Pvt	2020-11-05	10,050,697	10,050,697	-	10,050,697	46
Intercontinental Consultants & Technocrats Pvt	2020-11-05	11,336,405	5,479,025	5,857,379	11,336,405	47
Intercontinental Consultants & Technocrats Pvt	2020-11-05	11,204,725	-	11,204,725	11,204,725	48
Intercontinental Consultants & Technocrats Pvt	2020-11-05	10,223,275	-	10,223,275	10,223,275	49
Egis International	2022-10-17	7,124,564	7,124,564	-	5,426,375	66
Egis International	2022-10-17	6,469,253	5,771,706	697,546	5,299,366	67
Egis International	2022-12-15	5,435,280	5,435,280	-	5,380,345	68
Egis International	2023-02-23	2,868,578	-	2,868,578	2,868,578	69
Egis International	2023-01-13	2,781,358	-	2,781,358	2,781,358	70
Egis International	2023-02-23	2,610,410	-	2,610,410	2,610,410	71
Egis International	2023-02-24	2,562,962	-	2,562,962	2,562,962	72
Egis International	2023-03-20	3,071,871	-	3,071,871	3,071,871	73
Egis International	2023-05-10	3,142,260	-	3,142,260	3,142,260	74
Nema	2016-11-18	31,700,295	-	31,700,295	31,700,295	21132
Attain Enterprise	2018-01-19	13,150,288	11,336,455	1,813,833	1,813,833	1
Total Supervision Services		228,860,531	114,408,527	114,452,004	164,774,540	
Grand Total		13,801,928,349	6,653,818,609	7,148,109,740	6,925,616,718	

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Annual Report and Financial Statements for the financial year ended June 30, 2024*

Annex 5 – Summary of Fixed Assets Register

Asset class	Opening Cost (KShs FY 2023/24	Donations in form of assets (KShs) FY 2023/24	Purchases/Additions in the Year (KShs) FY 2023/24	Disposals in the Year (KShs) FY 2023/24	Transfers in/(out) (KShs) FY 2023/24	Closing Cost (KShs) FY 2023/24
	(a)	(b)	(c)	(D)	(e')	(f)= (a)+ (b)+('c)-(d)+ (e')
Construction of Roads	41,879,020,594		950,043,674	-		42,829,064,268
Purchase of office furniture & general equipment	35,285,439		-	-		35,285,439
Research, studies, project preparation, design & supervision	4,197,339,836		-	-		4,197,339,836
Intangible assets	69,783,195		-	-		69,783,195
Total	46,181,429,064		950,043,674	-		47,131,472,738