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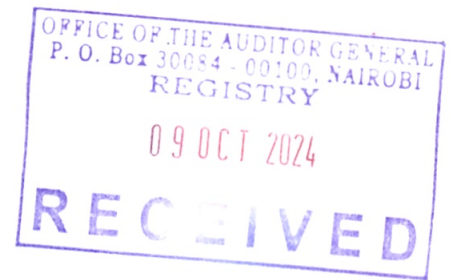
**KENYA ELECTRICITY MODERNISATION
PROJECT (KEMP) (IDA CR. NO. 5587 KE)**

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

STATE DEPARTMENT FOR ENERGY

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KENYA ELECTRICITY MODERNISATION PROJECT

STATE DEPARTMENT FOR ENERGY

PROJECT CREDIT NUMBER: 5587KE

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 Electricity Modernisation Project, Credit Number: 5587KE
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
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
CT	County Treasury
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is Kenya Electricity Modernization Project (KEMP).

Objective

The key objective of the project is to increase access to electricity, improve reliability of electricity services and to strengthen KPLC's financial situation.

Address

The project headquarters offices are Nairobi city, Nairobi County, Kenya.

The address of its registered office is:

Ministry of Energy
KAWI Complex – South C
P. O. Box 30582-0100
NAIROBI

Contacts: The following are the project contacts

Telephone: (254) 33101112

E-mail: ps@energy.go.ke

Website: www.energy.go.ke

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	The project start date is 17 th September 2015
Project End Date:	The project end date is 30th June 2023
Project Manager:	The project manager is Mr. Rodney Sultani
Project Sponsor:	The project sponsor is International Development Association, which will contribute 100% of project costs.

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Energy
Project number	IDA CR. 5587KE
Strategic goals of the project	The strategic goals of the project are as follows: (i) To increase access to electricity. (ii) To improve reliability of electricity service (iii) To strengthen KPLC's financial situation.
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: The implementing agencies (IAs) are the Ministry of Energy (MoE), KPLC, and REA.
Other important background information of the project	The project is being implemented in conjunction with other Energy Sector Agencies and Parastatals.
Areas that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Access to Electricity. (ii) Reliability of Electricity Service (iii) KPLC financial situation.

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Project duration	The project started on 17 th September 2015 and is expected to run until 30 th June 2020. This has been extended thrice thus 31 st December 2021, 31 st December 2022 and 30 th June 2023 respectively
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Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the current year:

(i) Special Account

Central Bank of Kenya Ltd

Account No. 1000250698

(ii) Project Account

Central Bank of Kenya

Account No. 1000309875

2.5 Independent Auditor

The project is audited by the Office of the Auditor General (OAG), P.O. Box 30084-00100, Nairobi, Kenya

2.6 Roles and Responsibilities

Names	Title Designation	Key Qualifications	Responsibilities
Alex Kamau Wachira CBS	Principal Secretary	MBA, BSc	Accounting Officer
Rodney Sultani	Project Coordinator	MSc. Project Management, BSc Civil Engineering.	Manager
CPA Rose Baraza	Senior Deputy Accountant General	MBA, (Strategic Management)	Accounting & ERD
Mr. Stephen Alexius Njue	Senior Deputy Director Budget	MBA(Finance)	Finance

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2.7 Funding summary

The Project is for duration of 8 years from 2015 to 2023 with an approved budget of USD 4,520,000 equivalent to Kshs 456,000,000 as highlighted in the table below:

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Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2024)		Undrawn balance to date	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
(i) Loan						
International Development Association (IDA)	4,520,000	456,000,000	3,861,096	430,702,864	658,904	25,297,136
Total	4,520,000	456,000,000	3,861,096	430,702,864	658,904	25,297,136

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Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2024)		Cumulative amount paid to date – (30 th June 2024)		Unutilised balance to date (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')
(i) Loan						
International Development Association	3,861,096	430,702,864	3,861,096	354,628,481	658,904	75,777,583
Total	3,861,096	430,702,864	3,861,096	354,628,481	658,904	75,777,583

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

2.8.1 Budget performance against actual amounts for current year and cumulative to date.

During the year under review, the project received Kshs. 66,246,976 against a zero budget since the project was closed on 30th June 2023.

2.8.2 Physical progress based on outputs, outcomes and impacts since project commencement

	Studies & Training	Implementation Status
1.	Kenya National Electrification Strategy	<p>The strategy was launched in December, 2018. The main objective was to define a national electrification strategy to achieve universal electrification service to all households and businesses in Kenya over the shortest timetable and at acceptable levels of quality of service.</p> <p>As per the recommendations, the electrification rate has advanced to 75% currently but it has slowed down due to lack of adequate funding. The strategy will be reviewed in order to formulate a new pathway to universal electrification.</p> <p>KOSAP and other GoK, EU, EIB funded projects have been prepared and implemented on the basis of the Kenya National Electrification Strategy.</p>
2.	Power Market Study	<p>The study was completed in November, 2021. The study recommended a roadmap for the development of the market and proposed certain interventions to be done before implementing Phase One of the power market (bilateral contracts/centralized economic dispatch).</p>
3.	System Operations and Dispatch guidelines	<p>The study was completed in June, 2023. The study's objective was to review the existing practice and guidelines for system operation and dispatch, note the existing gaps and make recommendations for improvement of the same in line with international best practices, taking into consideration the existing and expected generation sources.</p>

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	Studies & Training	Implementation Status
4.	National technical specification and standardization	<p>The study whose objective was to develop comprehensive and updated technical standards and specifications for the design and construction of the distribution system, was not completed. The task implementation status at project's close was as follows:</p> <ul style="list-style-type: none"> a) Task 1: The Inception Report was submitted, reviewed and the client's comments were incorporated, and finalized. b) Task 2: Interim Report was submitted and the client's comments were also incorporated, and finalized. c) Task 3: Design and Construction Standards-Draft reports was submitted to the client for review and comments in February 2023. The client has submitted the comments to the Consultant for incorporation in the reports before the final submission. This however was not done and this was not completed at projects close <ul style="list-style-type: none"> ➤ Task 4: National Standards and Specifications – Not completed ➤ Task 5: Training and Workshops – Not conducted
5.	SCADA/ EMS link between KPLC and EPRA	<p>The study objective was to design, supply, Installation and commissioning of SCADA/EMS extension to EPRA. The study completed in December 2022. The control room is operational and the team is using the system to monitor power system performance indicators such as SAIFI, SAIDI and CAIDI.</p>
6.	Development of Regulations for enforcing quality electricity	<p>Regulations were drafted by EPRA for enforcing quality of electricity service delivery, including assistance to EPRA (formerly ERC) to implement a regime on service quality, based on systematic monitoring of key parameters through direct access of the records of the information systems used by KPLC.</p>
7.	Customer satisfaction survey	<p>The study entails gathering accurate data and information on the recent dynamics in Consumer Satisfaction Index for the power sector that would inform the regulatory policies and strategies for the sector.</p> <p>The survey had not completed by project closing. It was at the Draft Report stage. However, the assignment was finally completed in December 2023.</p>

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	Studies & Training	Implementation Status
8.	Training	By project closure in June 2023, 163 staff from MOE , KPLC, KENGEN, KETRACO, REREC, GDC, EPRA, KNEB and National Treasury had been trained.

2.8.3 Absorption

The absorption rate is 94% compared to the disbursement plan in the Project Appraisal Document (PAD) this was due to low budget allocation granted by the National Treasury. As at to date the Bank has disbursed USD 3,861,096 against a commitment of USD 4,520,000.

2.8.4 Implementation challenges and recommended way forward

- a) The consultancy for the National Technical Specification and Standardization Study was not completed. Only two out of the five (5) tasks were substantially achieved. The consultant failed to adhere to the Terms of Reference and did not engage with key stakeholders as was required. As a result, the objectives of the consultancy were not achieved. The stakeholders of the project should explore other ways to develop National Technical Specifications and Standardization.
- b) The customer satisfaction survey had not completed by project closing. It was at the Draft Report stage. However, the assignment was finally completed in December 2023. As a result, payments worth Kshs 74,035,202 could not be made from the Credit.
- c) Insufficient budget allocation hindered the payment process initially. Supplementary budget requests were made but were not processed in time. The project's closing date was June 30, 2023, with a disbursement period ending on October 31, 2023. However, funds expected from the National Treasury through an exchequer were delayed. Also, correspondence from the consultant via which the invoices were submitted indicated that the consultant changed its name from ABB Power Grid Sweden AB to Hitachi Energy Sweden AB. Verification of this name change was necessary before payment could proceed. By the time this was done

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the disbursement period lapsed on 31st December 2023 hence no further payments could be made under KEMP.

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.

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. This component will finance consultancy services, feasibility studies for new investments, training actions and other activities to support, among others:

The key development objectives of the project's 2018-2023 plan are to:

- (i) **Preparation of the National Electrification Strategy (NES).** The objective of the NES is to achieve universal access to electricity services meeting applicable standards on quality in a sustainable manner in the shortest possible time. The strategy should also optimize allocation of resources from a country perspective. MoEP will implement this activity.
- (ii) **Detailed National Technical Specifications and Standardization.** This assistance will support the technical and economic optimization of the design and construction of electricity networks needed to supply new users located in areas that are currently not electrified, meeting applicable standards on service quality. This will result in the addition of new standardized construction units to those currently applied by KPLC and REA. MoEP will implement this activity.
- (ii) **Regulations for enforcing quality on electricity service.** Assistance to ERC to implement a regime on service quality, based on systematic monitoring of key parameters through direct access of the records of the information systems used by KPLC. This will also be combined with assessment of KPLC's customers' complaints and commercial systems. MoEP through ERC will implement this activity.

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(iv) **Training and capacity building.** This will finance training and capacity building and communications for the sector entities, including MoEP, KPLC, REA, KETRACO, KenGen and ERC.

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.

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Below, we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Kenya Electricity Modernization Project	Preparation of the National Electrification Strategy (NES)	Increased efficient	Report	This has been achieved
	Detailed national technical specifications and standardization	Support the technical and economic optimization of the design and construction of electricity networks needed to supply new users located in areas that are currently not electrified, meeting	1 Report	This was not achieved

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		applicable standards on service quality		
	Regulations for enforcing quality on electricity service delivery	Service quality, based on systematic monitoring of key parameters through direct access of the records of the information systems used by KPLC	1 report	Completed
	Training and capacity building	Improve on service delivery in the Energy Sector	No staff trained	163 personnel were trained

4. Environmental and Sustainability Reporting

The 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

The Ministry is committed to promoting sustainable environmental management and utilization of natural resources to generate socio- economic benefits. Measures were put in place in 2019/20 to ensure sustainable energy resource management. Among them include: Implementation of the Energy Act 2019 through development and review of various regulations (in draft form) that guides on sustainable utilization of the energy resources; Formulation of the Kenya Energy Efficiency and Conservation Strategy and Bio-energy strategy (which aims at promote the development and utilization of bio-energy resources in Kenya in a sustainable manner) both of which are at draft stage; among others. Other strategies put in place included protection of riparian land and reforestation of hydro dam catchment areas through direct involvement and also supply of seedlings to the communities living in project areas.

ii. Environmental performance

- a. The proposed project was screened by World Bank and assigned an Environmental Category B Partial Assessment, on the assumption that no major civil works will be funded and no major physical or economic displacement will take place. Four safeguard policies have been triggered for the project. They include (a) OP/BP 4.01 (Environmental Assessment); (b) OP/BP 4.04 (Natural Habitats); (c) OP/BP 4.10, (Indigenous Peoples); and (d) OP/BP 4.12 (Involuntary Resettlement).
- b. The World Bank operational policy on Environmental Assessment (OP/BP 4.01) has been triggered, due to the implementation of the activities outlined under Components 1–3. The main potential environmental impacts anticipated for the project are (a) civil works that would be limited to construction of the mini-grids in remote areas (Component 1), installation of stand-alone systems for households (Component 2), installation of solar PV for water pumping (Component 3), and construction of distribution lines to connect new customers and (b) environmental, health, and safety concerns are likely to be associated with recycling and disposal of spent batteries at the end of their useful lives, which is usually 3–

5 years after deployment. Rechargeable batteries for storing solar energy may run on nickel-cadmium (Ni-Cad), nickel metal hydride (NiMH), lithium-ion (Li-ion), lead-acid (Pb-A), or lead-gel (Pb-gel). These batteries should not be disposed in standard landfills because they can create long-lasting environmental and human health impacts (for example, headaches, abdominal discomfort, seizures and comas, cancers, irritation of skin and respiratory system, burns and damage to skin and eyes, and corrosion) due largely to the heavy metals such as mercury, lead, cadmium, and nickel and acids. The entire management processes including de-manufacturing, collection, storage, recycling, transport, and disposal may present a challenge to this project and, given the scope of this World Bank operation, could result in environmental and social risks and impacts, although these impacts are reversible and localized and can be easily and cost-effectively mitigated.

- c. The operational policy on Natural Habitats (OP/BP 4.04) has been triggered, on the assumptions that the project activities under Components 1 and 3 are likely to affect the natural habitats through erection of poles, construction of the mini-grids, and the installation of the solar water pumping equipment.

iii. Employee welfare

The policies that guides the Ministry on recruitment includes: PSC Recruitment and Selection Policy; Delegation of PSC HRM Functions to the Cabinet Secretary, July,2018; Framework for Short Term Employment in the Public Service, May,2019; and Human Resources Policies and Procedure Manual for the Public Service, May,2016. This enabled the Ministry to promote common cadre under the delegated powers as guided by the policy taking into consideration gender and regional balance.

For skill improvements and career progression the Ministry is guided by Human Resource Development Policy for the Public Service, June, 2015 and Guidelines on Managing Training in the Public Service. This enabled the Ministry to conducts individual trainings programmes required for career progression/promotion and those required in the Schemes of Service for various cadres and also group trainings for various cadres.

The Ministry ensured that all staffs were put on Performance Appraisal System (PAS) as guided by guidelines for Implementation of Performance Rewards and Sanctions in the Public Service and also Performance Rewards and Sanctions framework.

The Ministry has developed its own Occupational Safety and Health Policy with reference to made Occupational Safety and Health, ACT of 2007. A Ministerial Committee on Occupational Safety and Health is in place which ensures adherence to OSHA and safety and security of the staff and Ministry properties.

iv. Market place practices-

a) Responsible Supply chain and supplier relations-

Procurement undertaken in compliance with WB Procurement Regulations as per Section 3.7 of the regulations are as follows;

- a. Provide timely and sufficient information to Bidders/Proposers/Consultants, including through the Notification of Intention to Award and debriefing, so that Bidders/Proposers/Consultants can both understand the basis for the Borrower's decision and make an informed decision on whether to lodge a Complaint challenging that decision.
- b. Promptly acknowledge Complaints received;
- c. Resolve Complaints promptly and fairly;
- d. Preserve the confidentiality and proprietary information of other Applicants/ Bidders/Proposers/Consultants, including commercial and financial information and trade secrets as requested by the Bidders/Proposers/Consultants in their Bids/Proposals;
- d. Maintain complete records of all debriefings and Complaints and their resolution;
- e. For contracts subject to prior review, inform the Bank promptly of any Complaint submitted and provide the Bank a copy of all relevant documents and information; and
- f. For contracts subject to prior review, The Client consult with the Bank promptly and forthrightly throughout the Complaint review and resolution process.

b) Responsible ethical practices

Strict adherence to Annex IV of World Bank Regulations on Banks Anti-corruption guidelines

c) Regulatory impact assessment

Safeguard citizen and stakeholder's rights.

v. Community Engagements

The Ministry has been carried out the following measures to enhance acceptance of the projects by the communities around the project area; The Ministry and its Agencies put in place mechanism for engagement of the people during project implementation. Among them includes operationalization of Stakeholders Coordination Committees and rolling out of community engagement strategy and policy.

In addition, the Ministry continued to ensure that local communities were considered for jobs during the implementation of the energy projects. Local communities were also involved during land acquisition.

5. Statement of Project Management Responsibilities

The Principal Secretary for the Ministry of Energy and Petroleum and the Project Coordinator for Kenya Electricity Modernization Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for 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 (v) Making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for the Ministry of Energy and Petroleum and the Project Coordinator for Kenya Electricity Modernization Project 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 Ministry of Energy and Petroleum and the Project Coordinator for Kenya Electricity Modernization Project are of the opinion that the Project's 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 of the Project's financial position as at that date. The Principal Secretary for the Ministry of Energy and Petroleum and the Project Coordinator for Kenya Electricity Modernization Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements and the adequacy of the systems of internal financial control.

The Principal Secretary for the Ministry of Energy and Petroleum and the Project Coordinator for Kenya Electricity Modernization Project 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 were used for the eligible purposes for which they were intended and were properly accounted for.

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

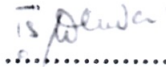
Approval of the Project Financial Statements

The Project financial statements were approved by the Principal Secretary for the Ministry of Energy and Petroleum and the Project Coordinator for Kenya Electricity Modernization Project

4191 2024 and signed by:



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Alex K. Wachira
Principal Secretary



.....
Rodney Sultani
Project Coordinator

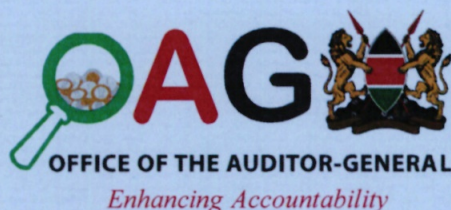


.....
CPA Rose Baraza
Project Accountant

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REPORT OF THE AUDITOR-GENERAL ON KENYA ELECTRICITY MODERNISATION PROJECT (KEMP) (IDA CR. NO. 5587 KE) FOR THE YEAR ENDED 30 JUNE, 2024 - STATE DEPARTMENT FOR ENERGY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- 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 controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Electricity Modernization Project (KEMP) set out on pages 1 to 17 which comprise of the statement of financial assets and liabilities as at 30 June, 2024 the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for

the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Electricity Modernization Project IDA CR. NO. 5587 KE 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 comply with the Financing Agreement No.5587KE dated 29 June, 2015 between the International Development Association (IDA) and the Republic of Kenya and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Electricity Modernization 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.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Long Outstanding Pending Bills

Note 7 to the financial statements and annex 3a on analysis of pending bills reflects Kshs.73,137,418 in respect of pending accounts payable. Review of the analysis and supporting schedules revealed that some of the bills dated back to 2022. This is contrary to Regulation 42(1)(a) of the Public Finance Management (National Government)

Regulations, 2015 which states that debt service payments shall be a first charge in the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the Government does not default on debt obligations. Further, the State Department did not allocate a budget during the year to clear these bills.

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

2. Unutilized Project Funds not Transferred to the Consolidated Fund

The statement of financial assets and liabilities reflect cash and cash equivalents amounting to Kshs.75,777,583. The balance comprises of Kshs.9,530,607 carried forward from the prior year and Kshs. 66,246,976 received during the year. However, the amounts were held and received into the project accounts despite the project closing as 31 October, 2023 contrary to section 74(6)(d) of the Public Finance Management (National Government) Regulations, 2015 provides that an Accounting Officer of a National Government entity shall in the absence of any instructions to the contrary, ensure that any unexpended balance standing in the credit of the project account is paid into the Consolidated Fund.

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

3. Non-Execution of the Consultancy Contract

Review of the project implementation and completion dated 23 October, 2023 revealed that some of the activities which were to be carried out under Part D of the financing agreement and were contracted to an International Firm at a contract sum of USD.448,931.60 (inclusive of taxes) and a contract agreement signed on 26 January, 2022. The contract period was nine (9) months with a commencement date of 15 days from the date of the contract. However, no works had been executed as at the close of the project period and at the end of the year under review.

In the circumstances, Management was in breach of the Financing Agreement.

4. Unpaid Taxes to Kenya Revenue Authority (KRA)

During the year under review, the Project made two payments to an international firm amounting Kshs.3,795,484 and Kshs.10,348,897 respectively. The payments attracted 16% Value Added Tax (VAT) and 20% Withholding tax respectively. However, there was no documentary evidence to indicate that taxes were remitted to the Commissioner of taxes.

In addition, Note 7 to the financial statements reflects Kshs.73,137,418 in respect of pending accounts payables. The payables further includes a balance of Kshs.11,103,358 due to Kenya Revenue Authority (KRA) arising from taxes withheld by the State Department for Energy on payments to various consultants. This is contrary to Section 35 of the Income Tax Act, Cap 470 which require withholding tax deducted be remitted to KRA by the 20th day of the month following the month in which the tax was deducted.

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

5. Irregular Overpayment to a Consultant

In the prior year, a consultancy firm was paid Kshs.10,348,897 being 25% final settlement of phase one of consultancy services contract for development of national technical specifications and standardization framework for electricity service. According to the contract, the phase which involved preparation of a national electrification strategy for achievement of universal access to electricity services, amounted to 35% of the contract sum paid in three milestones comprising of 10% on submission an inception report, 20% on submission of the interim report and 5% upon conducting stakeholder consultations.

Review of documents relating to the payment made in February, 2023 revealed the consultant was paid Kshs.10,348,897 equivalent to 25% of the contract in addition to the 10% paid initially on submission of an inception report. However, in a memo dated 22 June, 2023 to the Accounting Officer, it was indicated that stakeholder consultations had not been conducted despite a payment of full contract sum for the phase. As a result, the consultant was overpaid Kshs.2,069,779 or 5% in respect of stakeholder consultations. As at time of conclusion of the audit in October, 2024, the consultant was yet to conduct the stakeholder consultants despite payment for the services.

In the circumstances, the value for money spent on the consultancy services could not be confirmed.

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

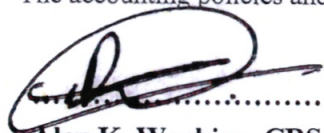
30 October, 2024

Kenya Electricity Modernisation Project, Credit Number: 5587KE
Annual Report and Financial Statements for the financial year ended June 30, 2024

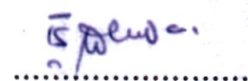
7. Statement of Receipts and Payments for the Year Ended 30th June 2024.

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From Inception)
		2023/2024			2022/2023			
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts								
Loan from external development partners	1	66,246,976	-	66,246,976	16,935,727	-	16,935,727	430,406,064
Total receipts		66,246,976	-	66,246,976	16,935,727	-	16,935,727	430,698,864
Payments								
Purchase of goods and services	2	-	-	-	37,663,878	-	37,663,878	337,990,682
Acquisition of non-financial assets	3							16,637,799
Total payments		-	-	-	37,663,878	-	37,663,878	354,628,481
Surplus/ (deficit)		66,246,976	-	66,246,976	(20,431,351)	-	(20,431,351)	75,777,583

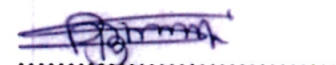
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



Alex K. Wachira, CBS
Principal Secretary



Rodney Sultani
Project Coordinator



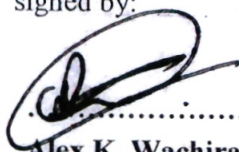
CPA Rose Baraza
Project Accountant
ICPAK Member No: 5586

Kenya Electricity Modernisation Project, Credit Number: 5587KE
Annual Report and Financial Statements for the financial year ended June 30, 2024

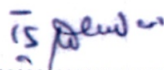
8. Statement of Financial Assets and Liabilities as at 30th June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents	4	75,777,583	9,530,607
Total Financial Assets (A)		75,777,583	9,530,607
Net Financial Assets (A-B)		75,777,583	9,530,607
Represented By			
Fund Balance B/fwd.	5	9,530,607	29,961,958
Prior Year adjustments	6		296,800
Surplus/(Deficit) for the Year		66,246,976	(20,728,151)
Net Financial Assets		75,777,583	9,530,607

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



.....
Alex K. Wachira, CBS
Principal Secretary



.....
Rodney Sultani
Project Coordinator



.....
CPA Rose Baraza
Project Accountant

ICPAK Member : 5586

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

Description	Note	2023/2024	2022/2023
Cashflow from operating activities		Kshs	Kshs
Payments			
Purchase of goods and services	2	-	(37,663,878)
Total Payments		-	(37,663,878)
Adjusted for:			
Prior Year adjustments			296,800
Net receipts/(payments)		-	-37,367,078
Cash flow from financing activities			
Proceeds from foreign borrowings	1	66,246,976	16,935,727
Net cash flow from financing activities		66,246,976	16,935,727
Net increase in cash and cash equivalents		66,246,976	-20,431,351
Cash & cash equivalent at beginning of the year		9,530,607	29,961,958
Cash and cash equivalent at end of the year		75,777,583	9,530,607

10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 24

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Proceeds from borrowings	-			66,246,976	(66,246,976)	0%
Total Receipts	-			66,246,976	(66,246,976)	
Payments						
Purchase of goods and services	-			-		
Total Payments	-			-		
Surplus or Deficit	-			66,246,976	(66,,246,976)	

Note: The significant budget utilization/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 Kenya Electricity Modernization project under the State Department for Energy. The financial statements are for the Kenya Electricity Modernization 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

Kenya Electricity Modernization 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.

Significant Accounting Policies (continued)

e) Recognition of payments

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

i) 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.

ii) 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) 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.

Significant Accounting Policies (Continued)

g) 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.

h) 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*.

i) 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.

Significant Accounting Policies (Continued)

j) 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.

k) 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

12. Notes to the Financial Statements

1. Loan from External Development Partners

During the financial period to 30 June 2024, we received funding from development partners in the form of loans negotiated by the National Treasury, as detailed in the table below:

Description	Date received	2023/2024				2022/2023	Cumulative to date
		Amount in loan currency	Loans received in actual amount	Loans received as direct payment *	Total amount in Kshs	Total amount in Kshs	
		(Insert currency)	Kshs	Kshs	Kshs	Kshs	
Loans received from Multilateral Donors (International Organizations)							
International Development Association	14/12/2023	593,880	66,246,976	-	66,246,976	16,935,727	430,406,064
Total		593,880	66,246,976	-	66,246,976	16,935,727	430,406,064

2. Purchase of Goods and Services

Description	2023/2024			2022/2023	Cumulative to date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	
Training payments	-	-	-	-	95,254,600
Other operating payments	-	-	-	37,663,878	243,032,882
Total	≡	≡	≡	37,663,878	338,287,482

Notes to the Financial Statements (Continued)

3. Acquisition of Non-Financial Assets

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of office furniture & general equipment	-	-	-	-	147,000
Research, studies, project preparation, design & supervision	-	-	-	-	16,490,799
Total	<u>≡</u>	<u>≡</u>	<u>≡</u>	<u>≡</u>	<u>16,637,799</u>

4. Cash And Cash equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank accounts	75,777,583	9,530,607
Total	<u>75,777,583</u>	<u>9,530,607</u>

Kenya Electricity Modernisation Project has one (1) number of project accounts spread within the project implementation area and one (1) number of foreign currency designated accounts managed by the National Treasury as listed below:

4. A Bank Accounts

Project Bank Accounts

Details	2023/2024	2022/2023
	Kshs	Kshs
Local Currency Accounts		
Central Bank of Kenya (A/c No.. 1000390875)	75,777,583	9,530,607
Total bank account balances	<u>75,777,583</u>	<u>9,530,607</u>

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as of 30th June 2024 are not included in the Statement of Financial Assets since the line items 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 voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Description	2023/2024	2022/2023
	Kshs	Kshs
(ii) A/c Name [A/c No 1000309875]		
Opening balance (as per the SDA reconciliation)	67,251,090	4,180,700
Total amount deposited in the account		80,006,116
Total amount withdrawn (as per Statement of Receipts & Payments)	(66,246,976)	(16,935,726)
Closing balance (as per SDA bank account reconciliation attached)	<u>1,004,114</u>	<u>67,251,090</u>

Kenya Electricity Modernisation Project, Credit Number: 5587KE
Annual Report and Financial Statements for the financial year ended June 30, 2024

Notes to the Financial Statements (Continued)

5. Fund Balance Brought Forward

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank accounts	9,530,607	29,961,958
Total	9,530,607	29,961,958

6. Prior Year adjustments

Description	Balance b/f Previous FY audited financial Statement	Adjustments	Adjusted balance b/f 2022/2023
	Kshs	Kshs	Kshs
*advances	-		296,800
Total	-		296,800

Other Important Disclosures

7. Pending Accounts Payable (See Annex 3a)

	Balance b/f from Comparative 2022/2023	Additions for the year	Paid during the year	Balance c/f For Current 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Accounts payables	74,035,202	-	-	74,035,202
Total	74,035,202	-	-	74,035,202

8. External Assistance

	2023/2024	2022/2023
Description	Kshs	Kshs
External assistance received as loans	66,246,976	16,935,727
Total	66,246,976	16,935,727

a). External assistance relating to loans and grants

	2023/2024	2022/2023
Description	Kshs	Kshs
External assistance received as loans	66,246,976	16,935,727
Total	66,246,976	16,935,727

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2023/2024	2022/2023
Description		Kshs	Kshs
Undrawn external assistance - loans		25,297,136	91,544,112
Total		25,297,136	91,544,112

Kenya Electricity Modernisation Project, Credit Number: 5587KE
Annual Report and Financial Statements for the financial year ended June 30, 2024

Other Important Disclosures (Continued)

c) Classes of providers of external assistance

	2023/2024	2022/2023
Description	Kshs	Kshs
International assistance organization	66,246,976	16,935,727
Total	66,246,976	16,935,727

e) Purpose and use of external assistance

Payments made by third parties	2023/2024	2022/2023
Description	Kshs	Kshs
Other Operating Payments	-	37,663,878
Total	-	37,663,878

Kenya Electricity Modernisation Project, Credit Number: 5587KE
Annual Report and Financial Statements for the financial year ended June 30, 2024

9. Annexes

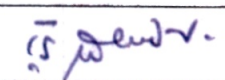
Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Unsupported Pending bills	The management is in the process of reviewing the pending bill as part of contract closure	Not Resolved	
	Non-Remittance of Taxes to Kenya Revenue Authority(KRA)	The management has since remitted the amounts to KRA	Resolved	
	Inadequate Contracts Management and implementation	The management is working on contract management as part of Contract closure.	Resolved	

Kenya Electricity Modernisation Project, Credit Number: 5587KE
Annual Report and Financial Statements for the financial year ended June 30, 2024



.....
Alex Kamau Wachira
Principal Secretary



.....
Rodney Sultani
Project Coordinator

Kenya Electricity Modernisation Project, Credit Number: 5587KE
Annual Report and Financial Statements for the financial year ended June 30, 2024

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%)
	a	b	c=a-b	d=b/a %	
Receipts					
Proceeds from borrowings	-	66,246,976	-66,246,976	0%	Funds were disbursed late
Total Receipts	-	66,246,976	-66,246,976	0%	
Payments					
Purchase of goods and services	-	-	-	-	
Total payments	-	-	-	-	

Annex 3a: Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted/ invoiced.	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
		a	b	c=a-b		
Supply of services						
Hitachi Energy Sweden AB	03/02/2023	51,040,247	-	51,040,247		
EPRA	19/05/2022	7,829,686		7,829,686		
EPRA	02/03/2023	3,164,127		3,164,127		
Kenya Revenue Authority	21/03/2022	1,678,806		1,678,806		
Kenya Revenue Authority	21/02/2023	3,892,168		3,892,168		
Kenya Revenue Authority	17/7/2022	5,532,384		5,532,384		
Grand Total		73,137,418		73,137,418		

Annex 9: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2024
- iii. Board of Survey Report

REPUBLIC OF KENYA

Date:

Report of the Board of Survey on the Cash and Bank Balance of State Department for Energy as at the close of Business on 30th June, 2024

The Board, consisting of – (Names and official titles)

- DENNIS MUTISO - CHAIRMAN
- SAMWEL OKELLO - SECRETARY
- SAMMY CHERUIYOT - MEMBER
- ELIJAH OGOT - MEMBER

Assembled at the office of Cash Office at 10.00AM on 15th July, 2024

And the following cash was produced:-

Notes	...	..	..	..	..	..	Sh. NIL
Silver	...	..	..	..	..	..	Sh. NIL
Cooper	...	..	..	..	..	..	Sh. NIL
Cheques (as per details on reverse)	...	..					<u>Sh. NIL</u> NIL

It was observed that cheques amounting to Sh- Cts - had been on hand for more than 14 days prior to the date of the survey.

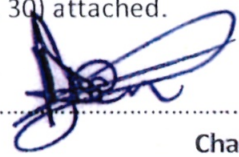
The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the 30th June, 2024.

Cash on hand	...	..	..	..	..	..	Sh. NIL
Bank Balance	...	..	..	..	..	..	Sh. 75,777,583.35
							<u>Sh. 75,777,583.35</u>

The Bank Certificate of Balance showed a sum of Shs...75,777,583.35 to the credit of the account on 30th June, 2024.

The difference between this figure and the Bank Balance as at and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.



Chairman



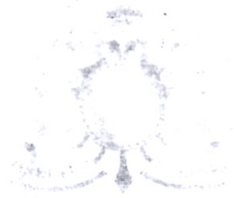
Members of the Board

Date 15/07/2024

LIST OF CHEQUES INCLUDED AS PART OF CASH ON HAND

Cheque No.	Drawer	Date of Cheque	Date Received	Amounts

BANKI
KUBIYA
KENYA



BANKI
KUBIYA
KENYA

Central Bank of Kenya
P.O. Box 90000 - 00100 Nairobi, Kenya
Telephone: 25420001, 254254000

July 18, 2024

CERTIFICATE OF BALANCES

Customer:
Balance Date:

STATE DEPARTMENT FOR
ENERGY
138668
30-Jun-24

Account No	Account Name	Currency	Balance
1000383992	REC-STATE DEPT FOR ENERGY	KES	98,128,725.65
1000384007	DEV-STATE DEPT FOR ENERGY	KES	2,325,662,743.50
1000384018	DEP-STATE DEPT FOR ENERGY	KES	115,066,053.70
1000384026	CBK 165-STATE DEPT FOR ENERGY	KES	0.00
1000390824	KEN. OFF GRID SOL. ACC. PRJ. CR.61	KES	2,280,534,601.50
1000390875	KEN. ELEC. MODERN. PRJ 55870KE	KES	75,777,583.35
1000410302	STATE DEPT. FOR ENER. EQUA FUND OPE	KES	98,297,334.20
1000566736	GCF PROMO OF CLIMATE FRIENDLY COOKI	KES	0.00
1000741562	KENYA GREEN AND RESILIE EXPAN ENERG	KES	0.00

Priscilla Keitany (Mrs)
Authorised Signatory
Banking Services Division

Micalh Nabori
Authorised Signatory
Banking Services Division

