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REPORT

OF

THE AUDITOR-GENERAL

ON

EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES AND T-MALL FLYOVER ON MOMBASA AND LANGATA ROADS (PROJECT LOAN CREDIT NO. KEN-01001-19 AND KEN-02001-19)

FOR THE YEAR ENDED 30 JUNE, 2023

KENYA NATIONAL HIGHWAYS AUTHORITY

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MINISTRY OF ROADS & TRANSPORT

Kenya National Highways Authority
Quality Highways, Better Connections

PROJECT NAME: EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROADS

IMPLEMENTING ENTITY: KENYA NATIONAL HIGHWAYS AUTHORITY

PROJECT CREDIT NUMBER: KEN-01001-19 AND KEN -02001-19

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023

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

Table Contents
Page

1. Acronyms and Glossary of Terms ii
2. Project Information and Overall Performance iii
3. Statement of Performance against Project's Predetermined Objectives viii
4. Environmental and Sustainability reporting ix
5. Statement of Project Management responsibilities xii
6. Report of the Independent Auditor on Financial Statements for the Five Footbridges & T-Mall Flyover in Mombasa and Langata Road. xiii
7. Statement of Receipts and Payments for the year ended 30th June 2023 1
8. Statement of Financial Assets as at 30th June 2023 2
9. Statement of Cashflow for the year ended 30th June 2023 3
10. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2023 4
11. Significant Accounting Policies 5
12. Notes to the Financial Statements 11
13. Annexes 15

1. Acronyms and Glossary of Terms

CBK	Central Bank of Kenya
CPA	Certified Public Accountant
EIA	Environmental Impact Assessment
ESIA	Environmental Social Impact Assessment
ESMP	Environment and Social Management Plan
FY	Financial Year
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KeNHA	Kenya National Highways Authority
Kshs.	Kenya Shillings
MoRT	Ministry of Roads and Transport
NEMA	National Environment Management Authority
TNT	National Treasury
PAPs	Project Affected Persons
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
SDG	Sustainable Development Goals
SIA	Social Impact Assessment

2. Project Information and Overall Performance

2.1 Name and registered office

EPC/Turn Key Construction of Five Footbridges & T-Mall Flyover in Mombasa and Langata Road.

Objective:

The five footbridges will alleviate the heavy traffic congestion and increase pedestrian security along the Northern corridor through the A8 in central Nairobi.

The T-Mall flyover will alleviate the heavy traffic along the Trans-African Highway and Nairobi and to Nairobi West inhabitants.

Address: Barabara Plaza
Jomo Kenyatta International Airport (JKIA) off Mazao Road
Nairobi Kenya

Contacts:

Director General
Kenya National Highways Authority
Po Box 49712-00100
Nairobi
Telephone: (254) 020 495000
E-mail: dg@Kenha.co.ke
Website: www.kenha.co.ke

2.2 Project Information

Project Start Date:	17.01.2020 (EPC/Turnkey Construction of Five Footbridges)
Project End Date:	June, 2023
Project Start Date	12.11.2019 (T-Mall Flyover)
Project End Date:	January, 2024
Project Engineer	Eng. Jared Makori
Project Sponsor:	Government of Spain Government of Kenya

Project Information and Overall Performance (Continued)

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the State Department of Roads on behalf of Ministry of Roads & Transport.
Project number	KeNHA/RD/HP&D/2536/2018
Strategic goals of the project	The strategic goals of the project are as follows: (i) To make the city more liveable, sustainable and competitive city and to increase the gross domestic product per capita. (ii) Enhance regional social economic development. (iii)To improve safe crossing of pedestrians.
Achievement of strategic goals	Implementation of the project in timely, efficient and effective manner.
Other important background information of the project	The five footbridges and flyover include; a) T-Mall footbridge crossing Mbagathi road to give access to the six-lane road, it's composed of 2 spans of 17m in length. b) Nyayo stadium footbridges gives access from the stadium to the other side of Langata road. Composed of 2 spans of 22m in length. c) Galleria Mall footbridge along Lan'gata Road which is composed of 2 spans of 22m in length. d) Lang'ata Barracks footbridge along Lan'gata Road which is Composed of 2 spans of 17m in length. e) Uhuru Gardens footbridge along Lan'gata Road, which is composed of 2 spans of 17m. f) T-Mall flyover is along Langata road at T-Mall roundabout. Composed of 8 spans with variable lengths between 22m to 37m.
Project duration	The project is for duration of 30 months for EPC/Turn key Construction of Five Footbridges and 36 months for T-mall Flyover.

2.4 Bankers

Co-operative Bank of Kenya
Upper Hill Branch
Po Box
Nairobi.

2.5 Independent Auditor

Auditor General
Office of the Auditor General
Po Box 30084-0100,
Nairobi.

Project Information and Overall Performance (Continued)

2.6 Roles and Responsibilities

List of the people who are working on the project.

Names	Title Designation	Key Qualification	Responsibilities
Eng. Ezekiel Fukwo	Director-Highway Design & Safety	Registered Civil Engineer	Project Implementing Team Leader
Eng. Jared Makori	Deputy Director- Highway Planning and Design	Registered Civil Engineer	Project Engineer
Mr. Walter B. Nyatwang'a	Deputy Director Environment & Social Interests	Environmental & Social Specialist	Project Safeguards Specialist
Ms. Levina K. Wanyonyi	Deputy Director-Supply Chain Management	Registered KISM	Project Procurement Specialist
Mr. Chanje Kera	Deputy Director-Finance & Accounts	CPA (K)	Project Financial Specialist

2.7 Funding summary

The project is for duration of three years with an approved budget of EURO 35,680,000 equivalent to Kshs. 4,316,858,976 by the donor component and amount of Kshs. 40,000,000 by GoK as highlighted in the table below:

A. Source of Funds

Source of funds	Donor Commitments		Amount received to date (30th June 2023)		Undrawn balance to date (30th June 2023)	
	Euros	Kshs	Euros	Kshs	Euros	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') – (B')
(i) Loan						
Spanish Govt	35,680,000	4,316,858,976	35,680,000	4,316,858,991	-	-
(ii) Counterpart Funds	-	40,000,000	-	8,620,303	-	31,379,697
Total	**35,680,000**	**4,356,858,976**	**35,680,000**	**4,325,479,294**	**-**	**31,379,697**

Project Information and Overall Performance (Continued)

B. Application of Funds

Application of funds	Amount received to date-(30th June 2023)		Cumulative Amount paid to date-(30th June 2023)		Unutilised balance to date	
	Euros	Kshs	Euros	Kshs	Euros	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') – (B')
i) Loan						
Spanish Govt	35,680,000	4,316,858,991	35,680,000	4,316,858,991	-	-
(ii) Counterpart Funds						
Government of Kenya	-	8,620,303	-	8,605,303	-	15,000
Total	**35,680,000**	**4,325,479,294**	**35,680,000**	**4,325,464,294**	**-**	**15,000**

2.8 Summary of Overall Project Performance:

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

	2022/2023			Cumulative		
	Budget	Actual	%	Budget	Actual	%
Counterpart Funds - Gok	2,500,000	2,485,000	99%	13,500,000	8,605,303	64%
Loan from External Development Partners	1,200,000,000	755,808,674	63%	5,785,430,462	4,316,858,991	75%
Total	**1,202,500,000**	**758,293,674**	**63%**	**5,798,930,462**	**4,325,464,294**	**75%**

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

T-mall Flyover

The project is complete and handed over to the Authority on 19th July 2022.

Five Footbridges

The five footbridges are complete and were handed over to the Authority at different times. T-mall footbridge on 23rd May, 2022, Nyato Stadium footbridge on 19th July, 2022 and finally Gallerial Mall, Lan'gata Barracks and Uhuru Gardens footbridges on 14th December,2022.

Project Information and Overall Performance (Continued)

iii. Absorption rate for each year since the commencement of the project.

FY	Budget	Actual	%
2022/23	1,202,500,000	758,293,674	63%
2021/22	1,510,000,000	953,936,126	63%
2020/21	2,106,430,462	1,965,705,648	93%
2019/20	980,000,000	647,528,846	66%
Total	**5,798,930,462**	**4,325,464,294**	**75%**

iv. Comment on value for money achievements.

- The project procurement process was conducted through International Competitive Bidding (ICB) which results in excellent value for money.
- The authority (KeNHA) had put in place adequate checks & balances on appointment of the works consultant supervision who oversaw the project implementation on daily basis on consultation and subsequent approvals from the employer and the bank.
- In addition to works supervision, the consultant undertook design review before commencement of roads construction works to reduce conflict during the project implementation.
- Regular auditing of the project by Internal Auditors, External Auditors and Quality Assurance Departments.
- Monthly site meetings that involve the employer, the consultant and the contractor.

2.9 Summary of Project Compliance:

There were no significant cases reported 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. The key development objectives of the project are to:

a) Alleviated heavy traffic congestion and increase pedestrian security along the Northern corridor through the A8 in central Nairobi;
b) Make the city more liveable, sustainable and competitive.
c) Enhance regional social economic development.

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	Expected Outcome	Indicator	Performance
Alleviated heavy traffic congestion and increase pedestrian security along the Northern corridor through the A8 in central Nairobi.	Reduced traffic and increased pedestrian safety.	Better traffic flow and reduction in accidents.	100% complete and taken over.
To make the city more liveable, sustainable and competitive;	Safe, liveable and competitive city.	Better living standards	100% complete and taken over.
To enhance regional social economic development.	Reduced travel time for goods and travellers.	Reduced travel time	100% complete and taken over.

4. Environmental and Sustainability reporting

EPC/Turn Key Construction of Five Footbridges & T-Mall Flyover 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.

4.1. Sustainability strategy and profile

Sustainable Development Goals (SDGs) 2015-2030 provides a plan of action for the people and their 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

Environmental and Sustainability Reporting (Continued)

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

4.3. 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.

4.4. 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.

4.5. 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.

Environmental and Sustainability Reporting (Continued)

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 community engagements to be undertaken by the contractor includes community sensitization on road usage and traffic safety, landscaping and beautification of Mombasa Road and T-Mall roundabout along Langata road.

5. Statement of Project Management responsibilities

The Director General, KeNHA and the Project Implementation Team Leader for EPC/Turn Key Construction of Five Footbridges & T-Mall Flyover Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Director General, KeNHA and the Project Implementation Team Leader for EPC/Turn Key Construction of Five Footbridges & T-Mall Flyover 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 Director General, KeNHA and the Project Implementation Team Leader for EPC/Turn Key Construction of Five Footbridges & T-Mall Flyover Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30,2023, and of the Project's financial position as at that date. The Director General, KeNHA and the Project Implementation Team Leader for EPC/Turn Key Construction of Five Footbridges & T-Mall Flyover Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Director General, KeNHA and the Project Implementation Team Leader for EPC/Turn Key Construction of Five Footbridges & T-Mall Flyover 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.

Approval of the Project financial statements

The Project financial statements were approved by the Director General, KeNHA and the Project Implementation Team Leader for EPC/Turn Key Construction of Five Footbridges & T-Mall Flyover Project on 26 SEP 2023 and signed by them.

Eng. Kungu Ndungu	**Eng. Ezekiel Fukuwo**	**CPA Chanje Kera**
Director General	**Director-Highway Design & Safety**	**Deputy Director (F&A)**
		ICPAK Member No. 8279

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Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES AND T-MALL FLYOVER ON MOMBASA AND LANGATA ROADS PROJECT LOAN CREDIT NO. KEN-01001-19 AND KEN-02001-19 FOR THE YEAR ENDED 30 JUNE, 2023 - 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 Government achieves value for money and that such funds are applied for the intended purpose.

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the 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 EPC/Turn Key Construction of Five Footbridges and T-Mall Flyover on Mombasa and Langata Roads Project set out on

pages 1 to 16, which comprise the statement of financial assets as at 30 June, 2023 and 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 EPC/Turn Key Construction of Five Footbridges and T-Mall Flyover on Mombasa and Langata Roads Project as at 30 June, 2023, and 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 Public Finance Management Act, 2012 and Loan Agreement No. KEN-01001-19 and KEN-02001-19, date 17 January, 2020 between the Government of Kenya and the Government of Spain.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the EPC/Turn Key Construction of Five Footbridges and T-Mall Flyover on Mombasa and Langata Roads Project Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit 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, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by 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 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

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

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

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

Those charged with Governance are responsible for overseeing the 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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 October, 2023

7. Statement of Receipts and Payments for the year ended 30th June 2023

	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
		FY 2022/2023			FY 2021/2022			
		Kshs.	Kshs.		Kshs.	Kshs.		Kshs.
RECEIPTS								
Transfer from Government entities	1	2,500,000	-	2,500,000	6,120,303	-	6,120,303	8,620,303
Loan from external Development Partners	2	-	755,808,674	755,808,674	-	947,815,823	947,815,823	4,316,858,991
TOTAL RECEIPTS		**2,500,000**	**755,808,674**	**758,308,674**	**6,120,303**	**947,815,823**	**953,936,126**	**4,325,479,294**
PAYMENTS								
Purchase of Goods & Services	3	2,485,000	-	2,485,000	668,080	-	668,080	3,153,080
Acquisition of non-financial assets	4	-	755,808,674	755,808,674	5,452,223	947,815,823	953,268,046	4,322,311,214
TOTAL PAYMENT		**2,485,000**	**755,808,674**	**758,293,674**	**6,120,303**	**947,815,823**	**953,936,126**	**4,325,464,294**
SURPLUS/DEFICIT		**15,000**	**-**	**15,000**	**-**	**-**	**-**	**15,000**

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

Eng. Kungu Ndungu
Director General
26 SEP 2023
Date

Eng. Ezekiel Fukwo
Director-Highway Design & Safety
26 SEP 2023
Date

CPA Chanje Kera
Deputy Director (F&A)
ICPAK Member No. 8279
26 SEP 2023
Date

8. Statement of Financial Assets as at 30th June 2023

	Note	2022/23	2021/22
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7	15,000	-
		-	
TOTAL FINANCIAL ASSETS		**15,000**	**-**
FINANCIAL LIABILITIES			
Payables-Retentions	5	-	-
NET ASSETS		15,000	-
REPRESENTED BY:			
Cash and cash equivalents b/fwd		-	-
Surplus/Deficit for the year		15,000	-
NET FINANCIAL POSITION		**15,000**	**-**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 26 SEP 2023 and signed by:

Eng. Kungu Ndungu
Director General

Eng. Ezekiel Fukwo
Director-Highway Design & Safety

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

9. Statement of Cashflow for the year ended 30th June 2023

	Notes	2022/23	2021/22
		Kshs.	Kshs.
RECEIPTS			
Receipts for operating income			
Transfers from Government entities	1	2,500,000	6,120,303
Net Receipts for operating income		**2,500,000**	**6,120,303**
PAYMENTS			
Payment for operating expenses			
Purchase of Goods and Services	3	(2,485,000)	(668,080)
Net Payments for operating expenses		**(2,485,000)**	**(668,080)**
Net cash flow from operating activities		**15,000**	**5,452,223**
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of road assets	4	(755,808,674)	(953,268,046)
Net cash flows from Investing Activities		**(755,808,674)**	**(953,268,046)**
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings		755,808,674	947,815,823
Net cash flow from financing activities		**755,808,674**	**947,815,823**
NET INCREASE IN CASH AND CASH EQUIVALENT		**15,000**	-
Cash and cash equivalent at Beginning of the year		-	-
Cash and cash equivalent at End of the year		**15,000**	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 26 SEP, 2023 and signed by:

Eng. Kungu Ndungu
Director General

Eng. Ezekiel Fukwo
Director-Highway Design & Safety

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

10. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2023

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Variance	% Var
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfers from Government entities	10,000,000	(7,500,000)	2,500,000	2,500,000	-	100%
Proceeds from foreign borrowings	1,200,000,000	-	1,200,000,000	755,808,674	444,191,326	63%
Total Receipts	**1,210,000,000**	**(7,500,000)**	**1,202,500,000**	**758,308,674**	**444,191,326**	**63%**
Payments						
Purchase of goods and services	1,210,000,000	(7,500,000)	1,202,500,000	2,485,000	444,206,326	63%
Acquisition of non-financial assets				755,808,674		
Total Payments	**1,210,000,000**	**(7,500,000)**	**1,202,500,000**	**758,293,674**	**444,206,326**	**63%**
Surplus or Deficit	-	-	-	**15,000**	**(15,000)**	-

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

Eng. Kungu Ndungu
Director General

26 SEP 2023
Date

Eng. Ezekiel Fukwo
Director-Highway Design & Safety

26 SEP 2023
Date

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

26 SEP 2023
Date

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 Public Sector Accounting Standards Board (PSASB)
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 construction of Five Footbridges & T-mall flyover Project under the Kenya National Highways Authority. The financial statements encompass the reporting for Five Footbridges & T-mall flyover Project as specified in the relevant legislation PFM Act 2012.

c) Reporting currency

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

d) Recognition of receipts

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

i. Transfers from the Exchequer

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

ii. External Assistance

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

Significant Accounting Policies (Continued)

iii. Other receipts

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

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 a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

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 reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their on-going satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

e) Recognition of payments

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

i. Compensation of employees

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

ii. Use of goods and services

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

iii. Interest on borrowing

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

Significant Accounting Policies (Continued)

iv. Repayment of borrowing (principal amount)

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

v. Acquisition of fixed assets

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

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

f) In-kind donations

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

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. 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.

Significant Accounting Policies (Continued)

i) Imprests & 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 are 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:
It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or

The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,
The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

k) Contingent Assets

EPC/Turn Key Construction of Five Footbridges & T-Mall Flyover 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 EPC/Turn Key Construction of Five Footbridges & T-Mall Flyover 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.

l) Pending bills

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

Significant Accounting Policies (Continued)

m) 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.

n) 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.

o) Exchange rate differences

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

p) Comparative figures

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

Significant Accounting Policies (Continued)

q) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

r) Prior Period Adjustment

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). There were no prior year adjustments as at June, 30,2023.

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	2022/23 Kshs	2021/22 Kshs	Cumulative to-date
Counterpart funding through Ministry of Road & Transport			
Counterpart funds Quarter 1	2,500,000	-	2,500,000
Counterpart funds Quarter 2	-	-	-
Counterpart funds Quarter 3	-	492,100	492,100
Counterpart funds Quarter 4	-	5,628,203	5,628,203
Total (See Annex 3)	**2,500,000**	**6,120,303**	**8,620,303**
Other transfers from government entities			
Annuity fund	-	-	-
Total	**-**	**-**	**-**
Appropriations-in-Aid	-	-	-
Total	**2,500,000**	**6,120,303**	**8,620,303**

2. Loan From External Development Partners

During the 12 months to 30 June 2023, we received loans from donor(s) as detailed in the table below;

Name of Donor	Date Received	Loans Received as Direct payments	Total amounts in Kshs.		Cumulative
			FY 2022/23	FY 2021/22	to-date
		Kshs	Kshs	Kshs	Kshs
Government of Spain	2022/23	755,808,674	755,808,674	947,815,823	4,316,858,991
Total		**755,808,674**	**755,808,674**	**947,815,823**	**4,316,858,991**

Notes to the Financial Statements (Continued)

3. Purchase of Goods and Services

	FY 2022/23			FY 2021/22	Cumulative
	Receipts and payments controlled by the entity	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Domestic travel and subsistence	2,485,000	-	2,485,000	668,080	3,153,080
Total	**2,485,000**	**-**	**2,485,000**	**668,080**	**3,153,080**

4. Acquisition of Non-Financial Assets

	FY 2022/23			FY 2021/22	Cumulative
	Receipts and payments controlled by the entity	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Construction of Footbridges & Flyover	-	755,808,674	755,808,674	953,268,046	4,322,311,214
Total	**-**	**755,808,674**	**755,808,674**	**953,268,046**	**4,322,311,214**

5. Accounts Payables- Retentions

As at 30th June 2023, there were no Retentions being held under the project. (30th June 2022- NIL)

6. Changes in Accounts Payable

As at 30th June 2023, there were no Cash and cash equivalents being held under the project. (30th June 2022- NIL)

7. Bank Accounts

Description	FY 2022/23	FY 2021/22
	Kshs	Kshs
Co-operative Bank of Kenya [A/c No 01141160979900]	15,000	-
Total	**15,000**	-

Other Important Disclosures

1. Pending Accounts Payable (See Annex 4)

As of 30th June 2023, there were no closing pending accounts payable.

	Balance b/f FY 2022/2023	Additions for the period	Paid during the year	Balance c/f FY 2022/2023
Description	**Kshs**	**Kshs**	**Kshs**	**Kshs**
Construction of Footbridges & Flyover	-	763,308,054	755,808,674	7,499,380
Total	**-**	**763,308,054**	**755,808,674**	**7,499,380**

2. Accounts Payables-Retentions (See Annex 6)

Description	**FY 2022/23**	**FY 2021/22**
	Kshs	**Kshs**
Retention controlled by the third parties	-	30,839,426
Total	**-**	**30,839,426**

3. Changes In Accounts Payables-Retentions

Description	**FY 2022/23**	**FY 2021/22**
Deposit and Retentions as at 1st July 2022	30,839,426	30,839,426
Closing accounts payables as at 30th June 2023	-	-
Change in payables	**(30,839,426)**	**30,839,426**

4. External Assistance

a) External assistance relating to loans and grants

	FY 2022/23	**FY 2021/22**
Description	**Kshs**	**Kshs**
External assistance received as loans	755,808,674	947,815,823
Total	**755,808,674**	**947,815,823**

Other Important Disclosures (Continued)

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2022/2023	FY 2021/2022
Description		**Kshs**	**Kshs**
Undrawn external assistance - loans	Road works & consultancy services	-	755,808,659
Total		**-**	**755,808,659**

c) Classes of providers of external assistance

	FY 2022/2023	FY 2021/2022
Description	**Kshs**	**Kshs**
Bilateral donors	755,808,674	947,815,823
Total	**755,808,674**	**947,815,823**

External assistance for road rehabilitation works, studies, design & supervision consultancy services.

d) Non-monetary external assistance

	FY 2022/2023	FY 2021/2022
Description	**Kshs**	**Kshs**
Goods	-	-
Services	-	-
Total	**-**	**-**

e) Purpose and use of external assistance

	FY 2022/2023	FY 2021/2022
Description	**Kshs**	**Kshs**
Acquisition of Assets	755,808,674	947,815,823
Total	**755,808,674**	**947,815,823**

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

This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity

	FY 2022/2023	FY 2021/2022
Description	**Kshs**	**Kshs**
Bilateral donors	755,808,674	947,815,823
Total	**755,808,674**	**947,815,823**

13. 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: *(Date when the issue is expected to be resolved)*
1	Other Matter **Budgetary Control and Perfomance** The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.1,510,000,000 and Kshs. 953,936,126 respectively was spent on the project resulting to an underfunding of Kshs. 556,063,874 or 37% . Similarly, Kshs. 953,936,126 was spent on the project against an approved budget of Kshs. 1,510,000,000, resulting to under expenditure of Kshs. 556,063,874 or 37%.	The implementation of dual carriageway Nairobi Expressway in 2020, the road geometry and cross-section parameters of the Five-foot bridges changed, rendering the design of the footbridges at Mlolongo, Syokimau Estate, and Syokimau Railway Station inapplicable and untenable. The circumstance that resulted in the relocation of the three footbridges to new foot bridges at Galleria, Langata Barracks and Uhuru Gardens which delayed the implementation process. Further to the changes the progress was low due to the fact that services such as power and sewer lines had to be relocated for the construction works to start.	Resolved	Continuous
2	Basis for Conclusion **Failure to Prepare Separate Financial Statements for each Project** Records provided for audit indicated that the Authority has two financing agreements. One of the agreements was No. KEN-01001-19 dated 12 November ,2019 with Donor funding EUR 23,250,000 approximately Kshs. 2,812,975,650 for T-mall project design, supply and installation of a steel flyover for vehicles in Nairobi. The other Financing agreement was No. KEN-02001-19 dated 17th January, 2020 with Donor funding and EUR 12,430,000 approximately Kshs.1,503,883,326 for works known as EPC/Turn key construction of five foot bridges in Mombasa and Lang'ata Roads.	The project has two different financing agreement being KEN -010101-19 for T-mall Flyover and KEN-02001-19 for Five footbridges. One set of Financial Statement has been prepared for the two Financing agreement since the two loans have the same budget line and IFMIS code and are financed by the same financier. Further we would like to clarify that the Financing agreement for the two projects does not provide for preparation of separate Financial Statements.	Resolved	Continuous

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:*(Resolved/Not Resolved)*	Timeframe:*(Date when the issue is expected to be resolved)*
	However, the two projects described above were combined and accounted for in one set of financial statements, instead of accounting for each project in a separate financial statement. This is contrary to the provision of Regulation 77 of the Public financial management (National Government) Regulations 2015 requires that the Accounting Officer of a project shall compile and maintain a record showing all receipts, disbursements and actual expenditure on a monthly basis in respect of every project and subproject			
3	**Lack of separate Project Bank Accounts** Review of documents provided for audit revealed that Project No. KEN-01001-19 relating to Construction of TMALL Fly over for vehicles and Project No. KEN-02001-19 relating to construction of five-foot bridges have no bank account in Central Bank of Kenya. This is contrary to provisions of Regulation 76 (1) of the Public Finance Management Regulation 2015 states that for the purpose of disbursement of project funds, there shall be opened and maintained a project account for every project at Central Bank of Kenya unless it is exempted by the Cabinet Secretary, in writing.	Regulation No.76 (1) of the Public Financial Management Act relates to accounting for funds received as donations and grants. The loan agreement for the project however did not provide for cash transfers to the Authority and opening of a separate project account since the loan amounts are disbursed by the development partner directly to the contractor. The project therefore used the Authority's exchequer account for GoK receipts of exchequer disbursements.	Resolved	Continuous

Eng. Kungu Ndungu
Director General

26 SEP 2023

Date

Eng. Ezekiel Fukwo
Director-Highway Design & Safety

26 SEP 2023

Date

Annex 2 - Variance explanations - Comparative Budget and Actual amounts for Current FY

	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation	Comments on Variance (Below 90% and Over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Government of Kenya	2,500,000	2,500,000	-	100%	Project complete with 100% utilization of the donor component with no undrawn balance.
External financing	1,200,000,000	755,808,674	444,191,326	63%	
Total receipts	**1,202,500,000**	**758,308,674**	**444,191,326**	**63%**	
Payments					
Purchase of goods and services	1,202,500,000	2,485,000	444,206,326	63%	Project complete with 100% utilization of the donor component with no undrawn balance.
Acquisition of non-financial assets		755,808,674			
Total Payments	**1,202,500,000**	**758,293,674**	**444,206,326**	**63%**	

Annex 3 – Reconciliation of inter-entity transfers

	PROJECT NAME:	***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD***		
	Breakdown of Transfers from the State Department of Roads & Transport			
a.	**Government Counterpart Funding**			
		Bank Statement Date	Amount (KShs)	FY to which the amounts relate
	Quarter 1	30-Sep-22	2,500,000	FY 2022/23
	Total		**2,500,000**	

Eng. Kungu Ndungu
Director General

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

Annex 4 - Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted/ Invoiced.	Original Amount	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
		a	b	c=a-b		
Construction of roads						
Centunion East Africa	06-Dec-22	940,779	-	940,779	-	1754/PA
Centunion East Africa	06-Dec-22	3,243,042	-	3,243,042	-	1754/PA
Centunion East Africa	19-Jan-23	3,315,559	-	3,315,559	-	1730/PA
Grand Total		**7,499,380**	**-**	**7,499,380**	**-**	

Annex 5 – Summary of Fixed Asset Register

Asset class	Opening Cost (KShs) 2022/23	Purchases/Additions in the Year (KShs) 2022/23	Disposals in the Year (KShs) 2022/23	Closing Cost (KShs) 2022/23
	(a)	(b)	(c)	(d)= (a)+ (b)-(c)
Construction of Roads	3,566,502,540	755,808,674	-	4,322,311,214
Total	**3,566,502,540**	**755,808,674**	**-**	**4,322,311,214**

Annex 6 - Summary of retention controlled by third parties

As at 30th June 2023, there were no retention controlled by third parties.