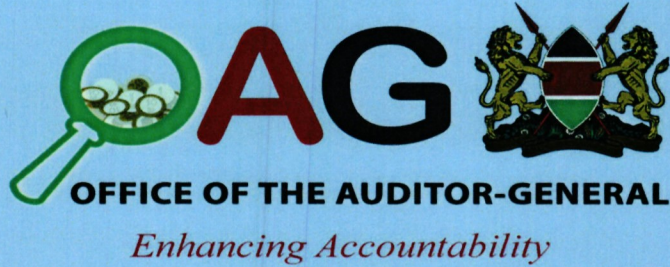


REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPPPS 1 1 1 D

DATE: 09 FEB 2022

TABLED BY:	LOM
CLERK-AT THE-TABLE:	S. Kalawa

DAY: Wed

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**

**STATE DEPARTMENT FOR HOUSING AND
URBAN DEVELOPMENT**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

17 DEC 2021

KENYA URBAN SUPPORT PROGRAM

RECEIVED

IMPLEMENTING ENTITY: STATE DEPARTMENT FOR HOUSING & URBAN DEVELOPMENT

PROJECT CREDIT NUMBER IDA 61340

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2021

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

*Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021*

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name

The project's official name is Kenya Urban Support Program

Objective

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

Address

The project headquarters offices are in Nairobi County, Kenya.

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

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

Contacts: The following are the project contacts

Telephone: **Contacts:** (254)3 340972

*Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021*

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.2 Project Information

Project Start Date:	The project start date is 26 July 2017
Project End Date:	The project end date is 31 July 2023 (6 years after effective starting date)
Project Manager:	The Project Coordinator is Mr Charles K`Onyango
Project Sponsor:	The project sponsor is through a hybrid of the Investment Project Financing (IPF) and Program for Results (P for R) instruments) from the International Development Association (IDA) and counterpart funds from the Government of Kenya (GoK).

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the State Department of Housing and Urban Development in the Ministry of Transport, Infrastructure, Housing and Urban Development. Ministry.
Project number	IDA 61340
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> (i) Support for the establishment, operationalization and strengthening of the institutional framework for urban management as part of the national level interventions (Window 1) (ii) Strengthening management and administration of urban finances (including conditional grants) in Window 1 (iii) Provision of support for planning, urban infrastructure, and service delivery in Window 1 (iv) Assist County Governments Address Urban Development and Management Issues as part of the county level interventions (Window 2)

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	<p>(v) Ensure Urban institutions are established and operational (UIG minimum conditions are achieved) in Window 2</p> <p>(vi) Ensure Urban institutions are performing effectively in delivering urban infrastructure and services (UDG performance standards are achieved) in Window 3</p>
Achievement of strategic goals	The project management aims to achieve the goals through the following means: Through institutional arrangements at the national, county and urban board levels
Other important background information of the project	The project key objective is to establish and strengthen urban institutions to deliver improved infrastructure and services in participating counties in Kenya.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: Establish and strengthen urban institutions to deliver improved infrastructure and services in participating counties in Kenya
Project duration	The project started on 26 th July 2017 and is expected to run until 31 July 2023.

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PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.4 Bankers

The following are the bankers for the current year:

- (i) Central Bank of Kenya- DA Account
Haille Sellassie
A/c No 1000317876
- (ii) Central Bank of Kenya- KShs Account
Haille Sellassie
A/c No 1000396946

1.5 Auditors

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

1.6 Roles and Responsibilities

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

Names	Title designation	Key qualification	Responsibilities
Charles K'Onyango	Programme Coordinator	Registered Planner	Overall programme coordination.
Solomon Ambwere	Deputy Programme Coordinator, KUSP Head in Urban Planning and Urban Management	Registered Planner	Deputy to programme coordinator, Management of Urban Planning
Isaac Mungania	KUSP Head of Institutional Development and Management Support	Land Surveyor	Management of component I activities
Eng.Charles Mutunga	Head of Infrastructure Management	Registered Engineer	Management of Infrastructure Services
Patrick Gachanja	Head of Grants Management	Chief Economist	Management of Grants
Christopher Kingi	Programme Accountant	Certified Public Accountant	Accounting and Financial Management

**Kenya Urban Support Program
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Mercy Kimani	Deputy Head, Urban Planning and Urban Management	Urban Planner and Surveyor	Management of Urban Planning
Francis Owade	Deputy Head, Infrastructure Management	Architect	Social safeguards
Simon Wekesa	Deputy Head, Institutional Development and Management	Economist	Monitoring and Evaluation
Kenneth Nyaseda	Program Environmental Officer	Registered planner	Environmental
Esther Maina	Program Finance Officer	Finance	Finance
Maureen Ombuki	Program Procurement Officer	Procurement	Procurement

1.7 Funding summary

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

Source of funds	Donor Commitment-		Amount received to date – (30 06 2021)		Undrawn balance to date (30 06 2021)	
	Donor currency(USD) (A)	KShs (A')	Donor currency (B)	KShs (B')	Donor currency (A)-(B)	KShs (A')-(B')
(i) Loan						
IDA	300,000,000	30,771,000,000	279,454,585	29,164,116,208	20,545,415	1,606,883,792
(ii) Counterpart funds						
Government of Kenya	20,000,000	2,051,400,000	1,782,912	182,873,288	18,217,088	1,868,526,712
Total	320,000,000	32,822,400,000	281,237,497	29,346,989,495	38,762,503	3,475,410,505

**Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021**

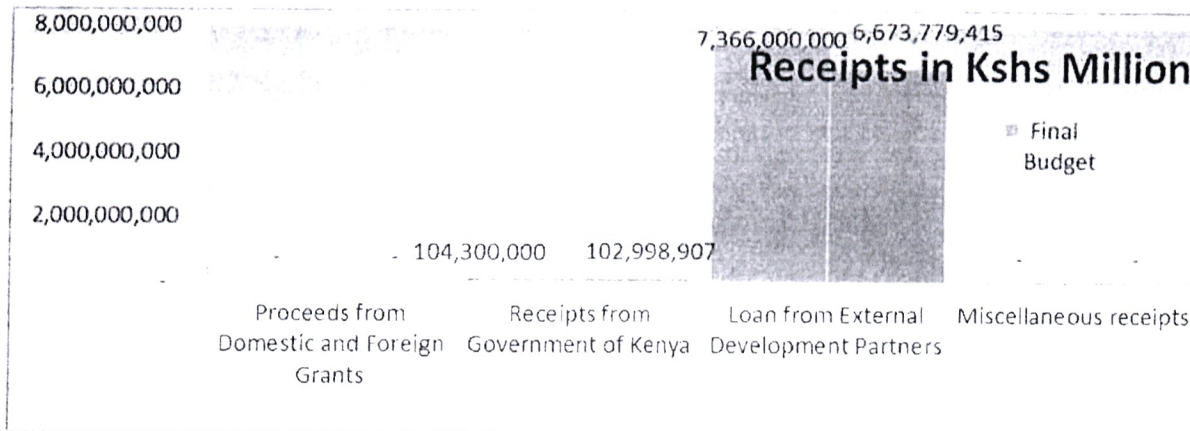
PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.8 Summary of Overall Project Performance:

The budget for KUSP for the 2020/2021 Fiscal Year is Kshs 7,470,300,000 of which Kshs. 104,300,000 is the Government of Kenya (GOK) contribution. The programme spent a total of Ksh 6,645,594,758 (89%) of the budget. Cumulative Programme disbursements stand at 95% for the loan and 89% overall.

1.8.1 Receipts Utilisation

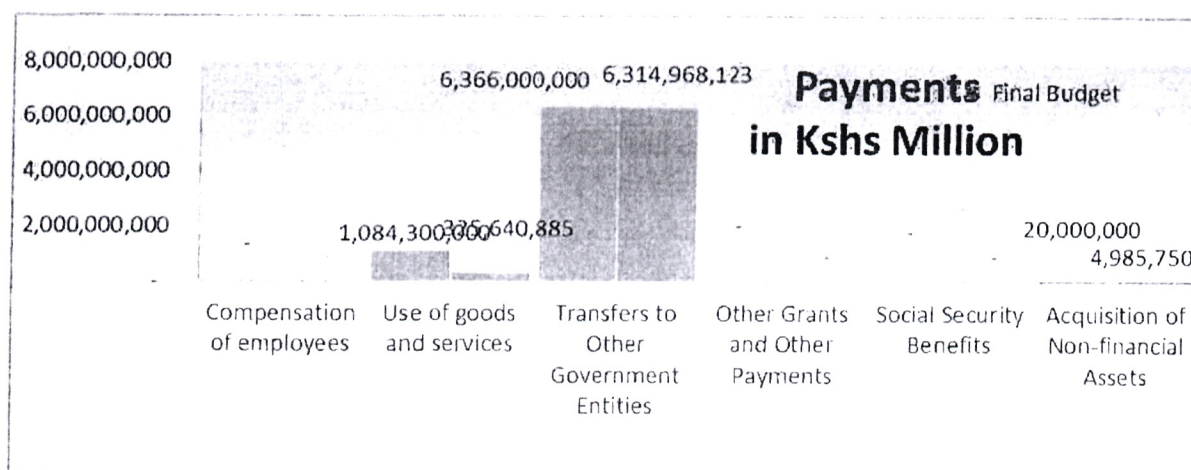
Under the period under review (2020/2021) the project received KShs 6,673,779,415 as Loan from External Development Partners from IDA. This represented 91% of the budget and Ksh 102,998,907 from the Government of Kenya representing 99% of the budget. The receipts utilisation is as shown in the bar graph below:



1.8.2 Payments Utilisation

The actual project performance in the period under review (2020/2021) is KShs 6,645,594,758 representing 89% of the budget of the year which stands at Ksh 7,470,300,000. The payments utilization is as shown in the bar graph below:

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For the financial year ended June 30, 2021



1.8.3 Key Achievements

- i. Programme Appraisal Document prepared
- ii. Programme Operation Manual (POM) prepared.
- iii. Signing of Financing Agreement done on 14th Sep, 2017.
- iv. Implementation Structures: -
- v. The National Program Coordination Team (PCT) has been formed with the core team (Coordinator and 4 Comp heads) and others key technical officers appointed. In addition, the team has been sensitized on their roles and responsibilities.
- vi. Setting up of County Coordination Teams done and operational.
- vii. Formation of Program Steering and Technical Committees done and operational.
- viii. 1st full Annual Performance Assessment (APA) – Final APA Report done and submitted on 18th October, 2018
- ix. Briefing of Governors, CECs, and COs in Feb – March, 2018 on KUSP requirements.
- x. KUSP launched on 23rd April, 2018.
- xi. Conducted County consultations in July and August, 2018 to establish the readiness of county urban infrastructure proposals for Urban Development Grant (UDG) funding in Financial Year 2018/19 and briefed counties on preparations of Annual Municipal Investment Plans.
- xii. Facilitated five Counties (Mombasa, Nairobi, Nakuru, Kisumu and Uasin Gishu) to participate in CRP Mission in Bangkok Thailand on 9th to 13th July, 2018.
- xiii. Conducted CRP/KUSP mission 16th to 26th October, 2018, Counties visited were: - Nairobi, Mombasa, Nakuru, Uasin Gishu and Kisumu.

*Kenya Urban Support Program
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- xiv. Counties received UDG for 2018/2019 financial year on 20th December, 2018
- xv. Facilitated two Counties (Makueni and Nakuru) to participate in the 8th Edition Africities Summit in Marrakech – Morocco from 20th to 24th November, 2018.
- xvi. Participated in CRP planning workshop in Durban – South Africa, from 26th to 30th November, 2018.
- xvii. Held 6 steering committee meetings;
 - a. 1st held on 8th may 2018, which endorsed the fulfillment of the disbursement Linked Indicators Number One (DLI) Minimum Conditions and disbursement of Urban Institutional Grant (UIG).
 - b. 2nd held on 31st August 2018 to endorse Draft Fund Report of the First KUSP Annual Performance Assessment and the Disbursement Schedule for Urban Development Grants (UDG). This was deferred pending clarification on the APA process.
 - c. 3rd held on 4th October 2018 which finally endorsed Draft Fund Report of the First KUSP Annual Performance Assessment and approved the disbursement Schedule for Urban Development Grants (UDG)
 - d. 4th held on 19th February, 2020 which was to endorsed the disbursement as per findings of 2nd APA report however this was not done instead the committee enormously decided to grant a week extra days to five municipalities (Kwale, Hola, Rumuruti, Maralal and Marsabit) that had not qualified for UDG to submit the required information for to them to qualify.
 - e. 5th held on 9th March, 2020, which approved disbursement schedule for 2019/2020 financial year.
 - f. 6th held on 10th March, 2020, which confirmed minutes of 9th march, 2020.
- xviii. UIG for 2017/18 and 2018/19 disbursed to the 45No. counties.
- xix. Procured six individual consultants to support IPDU.
- xx. Facilitated validation of Consultancy services for initial work on classification and establishment of urban of areas through County Governments (excluding Nairobi and Mombasa contract findings workshop of 45No for CECS on 27th March, 2019.
- xxi. Sensitized on KUSP 45No. Municipal Board Chairmen on 29th March, 2019.
- xxii. Facilitated Governors retreat which included CECs, COs and a Technical officer from 45No. Counties in Naivasha, 9th to 10th April, 2019. The retreat was on KUSP, KISP, and Affordable Housing Program.

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

*Kenya Urban Support Program
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- xxxviii. Consultancy services for initial work on classification and establishment of urban of areas through County Governments (excluding Nairobi and Mombasa) – 60 Million – completed on August, 2019
- xxxix. Consultancy services for conducting municipal urban planning needs and preparedness for KUSP through County Governments -60M– completed on August, 2019
- xl. KUSP participated in 10th World Urban Forum as an exhibitor and facilitate the best performing counties (Kericho and Meru) with reference to APA2 results and other best counties like Kirinyaga, Wajir, Migori, Homa Bay. Also facilitated three members of National Assembly, Council of Governors and Chairperson Urban Committee.
- xli. Have conducted several need based training with request from the counties/Municipality.
- xlii. Facilitated and participated on Technical Deep Dive (TDD) conference, held at Naivasha, 29th February to 6th March, 2020.
- xliii. NPCT held virtual consultative meetings with the CoG and Bank with aim of resolving program fiduciary issues to enable trigger disbursement for the financial 2020/2021.
- xliv. NPCT held two virtual mission planning meetings.
- xlv. KUSP implementation Support Mission held virtually due to Covid-19 pandemic in April, 2021 to selected counties.
- xlvi. Disbursed UDG grant in November 2020, May 2021 and June 2021.

1.8.4 Challenges Encountered and recommendations

- i. Technical capacity gaps

1.8.5 Possible solutions to the challenges

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

1.9 Summary of Project Compliance:

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

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Reports and Financial Statements
For the financial year ended June 30, 2021*

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

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

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

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bund (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Urban areas with approved charters, established boards, appointed urban managers, and a budget vote (measures establishment of urban institutions).	To establish and strengthen urban institutions	Improved Governance and service delivery	Number of urban areas with approved charters, established boards, appointed urban managers and a budget vote.	59 out of 59 municipalities have approved charters, established boards, appointed managers and have budget votes
Urban areas that utilize at least 50 percent of the budget intended for their urban investments in their budget vote (measures strengthening of urban institutions).	To deliver improved infrastructure	Enhanced service delivery	Number of urban areas that utilize at least 50 percent of the budget intended for their urban investments in their budget vote.	54 urban areas have utilized their budget above 50%.
Score in the APA for achievement of urban planning, infrastructure, and service delivery targets by counties/urban areas, averaged across all urban areas that qualify for the UDG (maximum of 25).	To deliver improved infrastructure	Enhanced service delivery	% Score in the APA for achievement of urban planning, infrastructure	90% (Based on Performance Standards No. 7,8,9 &10)

*Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021*

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

1. Environmental performance

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

2. Employee welfare

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

3. Market place practices-

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

*Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021*

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the State Department of Housing and Urban Development and the *Project Coordinator* for *Kenya Urban Support Programme* are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

The *Principal Secretary* for the State Department of Housing and Urban Development and the *Project Coordinator* for *Kenya Urban Support Programme* are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2021, and of the Project's financial position as at that date. The *Principal Secretary* for the State Department of Housing and Urban Development and the *Project Coordinator* for *Kenya Urban Support Programme* further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

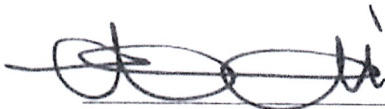
The *Principal Secretary* for the State Department of Housing and Urban Development and the *Project Coordinator* for *Kenya Urban Support Programme* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds

*Kenya Urban Support Program
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For the financial year ended June 30, 2021*

received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The *Principal Secretary* for the State Department of Housing and Urban Development and the *Project Coordinator* for *Kenya Urban Support Programme* on 30/9/ 2021 and signed by them.



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

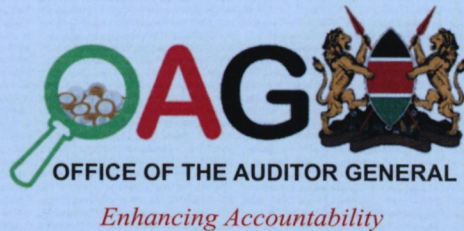


Project Coordinator
Name: Charles K'Onyango

Project Accountant:
Name: Christopher Kingi
ICPAK Member Number: 9467

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA URBAN SUPPORT PROGRAM (IDA CREDIT NO.6134 KE) FOR THE YEAR ENDED 30 JUNE, 2021 - STATE DEPARTMENT FOR HOUSING AND URBAN DEVELOPMENT

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, gazetted 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 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 control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Urban Support Program (IDA Credit No.6134 KE) set out on pages 1 to 24, which comprise the statement of financial assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Urban Support Program as at 30 June, 2021, 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 between the International Development Association (IDA) and the Republic of Kenya dated 14 September, 2017.

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

Basis for Opinion

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

Key Audit Matters

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

Other Matter

1. Pending Bills

Note 12.1 to the financial statements reflects pending accounts payables of Kshs.2,567,156 as at 30 June, 2021. Management did not give reasons for non-payment

of the bills, which exposes the Project to the risk of incurring significant interest costs and penalties due to the continued delay in making payments. Further, failure to settle bills during the year to which they relate adversely affects the provisions of the subsequent year to which they have to be the first charge.

2. Delayed Counterpart Funding

The statement of receipts and payments reflects a grant of Kshs.358,811,292 received from International Development Association and Kshs.102,998,907 counterpart funding from the Government of Kenya. The total cumulative counterpart funding from the Government of Kenya as at 30 June, 2021 stood at Kshs.182,873,288 representing 9% of the total counterpart financing projection. With the expected closing date of the project set at 31 July, 2023, it is doubtful that the counterpart financing balance of Kshs.1,885,126,712 or 91% will be disbursed to the project activities before closure date.

Delays by the Government in releasing counterpart funds impacts negatively on project implementation and development for the citizens.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Projects Implementation Status

1.1 Proposed Construction of Parking Lots and Installation of Solar Powered Street Lights (Turkana County)

The County Government of Turkana entered into a contract agreement vide contract No.TCG/LEH&UM/120/2019-2020 with a local contractor on 26 January, 2021 for the construction of parking lots and installation of solar powered street lights at a contract sum of Kshs.94,428,477 for a one-year duration. According to a progress report prepared in October, 2021, 46% of works was complete with a cumulative expenditure of Kshs.41,639,875.50 equivalent to 44% of the contract sum, with only two months remaining to the end of the contract.

Review of the performance bond revealed that the contractor provided one for Kshs.1,888,570 which was valid from 10 October, 2020 up to and including 28 April, 2021 instead of the required Kshs.9,025,000 an indication that the performance bond provided

was less by Kshs.7,136,430. As at the time of the audit in November, 2021, the performance bond had not been renewed.

In view of the foregoing, the delayed implementation of the project works is likely to affect service delivery to the residents of Turkana County. Further, there could be loss of public funds should the contractor fail to complete the project as expected, in view of the expired performance bond.

1.2 Construction of Kaloleni Community Centre (Kisumu County)

The County Government of Kisumu entered into a contract agreement vide contract No.CGK/COK/KUSPW/2019-2020/03-3, with a local contractor on 7 August, 2020. The works were for the construction of Kaloleni Community Centre for a period of one year at a contract sum of Kshs.151,468,960. During the year under review, the contractor was paid Kshs.28,853,508 on 23 September, 2020 as payment for interim certificate No. 1. However, a physical verification of the project in October 2021, revealed that the works were behind schedule at estimated completion of 37% while the contract period had exceeded the completion date of 6 August, 2021 by about 2 months.

In view of the foregoing, the delayed implementation of the project works are likely to adversely affect service delivery to the residents of Kisumu County.

1.3 Supply, Delivery, Installation, Commissioning and Testing of an Incinerator at TB Manyatta-Wajir Town. (Wajir Municipality)

The County Government of Wajir entered into an agreement with a local contractor vide contract No.WCG/OT/MUNI/05/2019-2020, for the supply, delivery, installation, commissioning and testing of an incinerator at TB Manyatta-Wajir Town at a contract sum of Kshs.14,234,910 for a duration of three (3) months starting 30 November, 2019. As at the time of the audit verification exercise in November, 2021, total payment of Kshs.13,089,939 or about 92% of the contract sum had been paid to the contractor. According to the project status report dated 19 June, 2021, significant work on the ground had been completed. However, the incinerator had not been tested since the required three-phase power line had not been installed.

Further, a resident of the County moved to the High Court at Garissa and filed petition No. 4 challenging the project's implementation on grounds that it was harmful to the residents surrounding the proposed site of the incinerator. The matter was heard and the Court found that the setting up of the incinerator possesses potential harm to the residents.

In the circumstances, the residents of Wajir County may not get value for funds already invested on the Project.

However, physical inspection undertaken in October 2021 revealed that the road works had not been done to completion as was expected and the following anomalies were observed;

- Drainage works not duly completed
- Loose soil along the edges of the road/on walkways had not been compacted.
- Culverts on access points along the road had not been duly fixed as per the bills of quantities.

This cast doubt on whether there was value for money on this Project.

1.9 Upgrading to Bitumen Standards of Galbet Township Access Road (Garissa Municipality)

The County Government of Garissa entered into a contract No.CGG/KUSP/T/006/2019-2020 with a local contractor on 29 July, 2020 for the upgrading to bitumen standards of Galbet Township access road, at a contract price of Kshs.81,825,853. The contract was to be completed in six (6) months starting 1 October, 2020.

The following unsatisfactory observations were noted during the audit verification exercise carried out in October 2021: -

1.9.1 Undelivered Motor Vehicle

Physical verification exercise carried out on 29 October, 2021 established that a motor vehicle, 4-wheel drive fully loaded double cabin pick-up of diesel engine capacity 2800 cc, used during the implementation of the project had not been delivered to the Municipality as at the time of audit yet it had been factored in the project.

1.9.2 Project Status and Quality of Work

The monthly progress report for August, 2021 revealed that the progress of permanent works stood at 98%. The report also showed that as at August, 2021 payments totaling Kshs.56,586,346, or 61% of the contract sum, had been certified and paid. During the audit verification exercise, it was noted that the drainage works on the road had not been done to the standard requirements and was filled with silt, which may result to flooding of the carriage way during the rainy season.

In addition, the contractor was required to provide a bank performance bond of 10% of the contract sum within seven (7) days. However, the performance bond provided was valid from October, 2020 to January, 2021 (only 3 months) while the contract period was for six (6) months. Management have not explained why the performance bond was not renewed to reflect the full term of the contract and hence likelihood of risk exposure should the contractor fail to complete the project.

1.10 Proposed Construction of Multi Storey Business Complex (Kitale Municipality)

1.10.1 Delay in Commencement of Works and Advance Payment to Contractor

The County Government of Trans Nzoia entered into a contract agreement vide contract CGTN-CP/T012/2017-2018 with a local contractor for the construction of a multi storey business complex on 25 June, 2018 at a contract sum of Kshs.874,280,383.

However, the following anomalies were noted regarding the project:

- Review of project documents revealed that there was delay in commencement of works given that it was awarded to the contractor on 7 June, 2018 but later commenced on 10 June, 2019 which is about 12 months later.
- Review of project payment details revealed that the contractor was paid an advance payment lumpsum amount of Kshs.174,856,076 or 20% of the contract sum on 26 June, 2019. This was contrary to the contract terms which stated that one half of the advance requested should be certified by the engineer following presentation by the contractor of an invoice for the same as well as presentation of an irrevocable and unconditional performance guarantee. Further, the second half of the advance was to be payable after commencement date after it had been certified by the engineer, following the presentation by the contractor of an invoice for the same, and when the engineer was able to certify that the contractor had mobilized sufficient personnel and equipment to commence works according to the programme. Further, advance payment was agreed at 20% of contract sum with 10% of advance payment to be paid prior to commencement of works but to be certified by an Engineer and the other 10% of advance payment to be paid after commencement of works, and certified by an Engineer. However, Management paid the full 20% of the advance payment prior to the commencement of works and did not follow the provisions of the contract terms.
- The tender documents provided for audit review stated that the minimum amount of interim payment certificate was 5% of the accepted contract amount, this being Kshs.43,714,019. Review of the project interim payment certificates revealed that interim payment certificate No.03 amounted to Kshs.21,171,163 and interim payment certificate No.04 amounted to Kshs.37,588,622 which is less than the minimum amount required by Kshs.22,542,856 and Kshs.6,125,397 respectively.

Delayed implementation in project works is likely to affect service delivery to the residents of Trans Nzoia County.

1.10.2 Payment of Retention Money Before Completion of the Project - (Kitale Municipality)

During the audit it was noted that the contractor was paid an amount of Kshs.87,453,123 being the net of interim payment certificate No. 2 valued at Kshs.102,553,197 on 20 April, 2020. It was further noted that Kshs.10,255,320 was deducted from the above

1.4 Construction of Central Fire Station and Fire Management System (Kisumu Municipality)

The County Government of Kisumu entered into a contract agreement vide contract CGK/COK/KUSP/W/2018-2019/01 with a local contractor on 3 April, 2019 at a contract sum of Kshs.255,022,996. The works were for the construction of a Central Fire Station and a Fire Management System for a period of one year.

During the year under review, the contractor was paid Kshs.66,593,454. However, a site audit verification carried out in the month of November 2021, indicated that the works had stalled at 76% completion and the contractor was not on site. This is despite the expected completion date of 3 April, 2020 having been surpassed by more than one year.

No reason was provided for failure to complete the Central Fire Station and Fire Management System according to schedule.

1.5 Construction of a Fire Station and Structural Improvement to Uhuru Garden (Kericho Municipality)

The County Government of Kericho entered into a contract agreement vide contract No.CGK/KUSP/LHPP/003/2018/19 with a local contractor on 23 May, 2019 at a contract sum of Kshs.46,942,144. The works were for the construction of a fire station and improvement and beautification of Uhuru Gardens within Kericho town for a period of one year. During the year under review, the contractor had been paid Kshs.7,743,570. According to the contract, the procured works which included the supply of a firefighting truck at a cost of Kshs.14,000,000 were to be completed by 29 August, 2020. However, a project site visit in the month of November, 2021 established that the project works had stalled and the contractor had abandoned the site with the following works still outstanding.

- Completion of an Art and Performance Center at Uhuru Gardens
- Completion of toilet block at Uhuru Gardens
- Painting of fire station with three coats of bituminous paint
- Procurement of the fire-fighting truck

Although the contract period was subsequently extended to 31 December, 2021 vide a letter dated 10 July, 2021, it remains doubtful whether the outstanding works will be completed within the revised timeline therefore casting doubt whether value for money on this project will be achieved.

1.6 Construction of Qorahey Market in the Township Sub County (Garissa Municipality)

The County Government of Garissa awarded a contract for the Construction of Qorahey Market in the Township Sub-County to a local contractor at a contract sum of Kshs.83,959,580. The works commenced on 23 September, 2019 (as per the work

program) and the completion date was indicated as 15 June, 2021 which was later revised to 15 September, 2021. As at the time of the audit in November, 2021, a total of Kshs.74,841,042.40 out of Kshs.83,959,580 representing 89% of the contract sum had been paid to the contractor.

Further, a site visit to the project on 29 October, 2021 revealed that the works had stalled with the following works outstanding;

- Parapet walling and plaster to the main market hall,
- Installation of doors,
- Floor screed in open market hall,
- Electrical and major mechanical installation works including supply of water and paint works,
- Eaves filling with masonry works, storm water drainage, control and dustbin cubicles.

It was also noted that the performance bond for the contract had expired and it had not been renewed as required of the Contractor.

Failure to deliver the project as expected may have an impact on service delivery to the residents of Garissa County. Further, the expired performance bond exposes the Project to possibility of loss should the contractor fail to deliver the project as per the contract terms.

1.7 Delay in Operationalization of Homabay Municipal Market (Homabay Municipality)

The County Government of Homabay entered into two contract agreements, vide contract No.HBC/HBM/KUSP/001/2018-2019 on 27 May, 2019 for the construction of Homabay Municipal Market at a contract sum of Kshs.117,983,729 and contract No.HBC/HBMB/KUSP/TOO1/2020-2021 on 14 October, 2020 for proposed civil, electrical and mechanical works at a contract sum of Kshs.49,875,800, both totaling to Kshs.167,859,529.

A site verification carried out in the month of November, 2021, revealed that, although the market works had been completed, the contractor had not handed over the project to the County Government, seven months after the last payment. As a result, the market had not been operationalized, thus delaying service delivery to the residents of Homabay County.

1.8. Upgrading to Bitumen Standards of B3 Chebirir - Bomet University Road - (Bomet Municipality)

The construction works for the Chebirir - Bomet University Road were awarded to a local contractor at a contract sum of Kshs.67,163,280. As at the time of the audit verification exercise, a total of Kshs.64,240,612 had been paid to the contractor.

payment being 10% retention fee. However, this retention fee was paid to the contractor on 24 July, 2020 after 3 months. It was not clear why the contractor was paid the retention fee before full completion of the project.

This is contrary to Section 151(2)(h) of the Public Procurement and Asset Disposal Act, 2015 which states: - for the purpose of managing complex and specialized procurement contracts, the contract implementation team shall be responsible for ensuring that the contract is complete, prior to closing the contract file including all handover procedures, transfers of title if need be and that the final retention payment has been made.

1.11 Upgrading of Iftin-Waberi Access Road (Garissa Municipality)

Garissa Municipality entered into a contract agreement with a local construction company on 29 July, 2020 under contract No.CGG/KUSP/T/005/2019-2020 for the upgrading to bitumen standard of Waberi Iftin Access Road at a contract sum of Kshs.82,424,588 which was to be completed in six (6) months starting 1 October, 2020. The project was certified complete on 1 March, 2021. However, an audit verification of the project carried out in November, 2021, established that total payments amounted to Kshs.83,008,777 resulting in an unexplained over-payment of Kshs.584,189.

No explanation, by way of an approved variation of the contract was provided for the overpayment, this is an indication that value for money on this project may not have been attained and the Management had not recovered the over-payment from the contractor.

1.12 Motor Vehicle in the Name of Contractor

The Project's vehicle, a pick-up registration No. KDA 494Z, four-wheel drive fully loaded double cabin of diesel engine, capacity 2800 cc and whose value in the bills of quantities was Kshs.3,150,000, was still registered under the contractors' name instead of being under the ownership of the County Government of Garissa, seven months (7) after the project was certified complete.

2. Delay in Disbursement of Project Funds from County Revenue Fund (CRF) Account to Projects' Special Purpose Account

2.1 Kericho Municipality

During the year under review, Kericho County Government received an amount of Kshs.66,394,492 being an Exchequer issue for the Kenya Urban Support Program. The amount was disbursed for the implementation of planned projects for the financial year 2020/2021 and was deposited in the County Revenue Fund account on 6 July, 2021. However, by the time of audit in November, 2021, about 4 months after the date of receipt, the amount was still being held in the County Revenue Fund account and had not been transferred to the Project's special purpose account, an indication that the planned objectives from this project may not have been realized.

2.2 Lodwar Municipality

During the year under review, Kshs.52,439,839 was disbursed to Turkana County under the Urban Development Grant (UDG) and was received in the County Revenue Fund Account. However, examination of the bank statements and the cash book for Lodwar Municipality indicated that Kshs.27,058,921 had been transferred from the CRF account and was received in the Urban Development Grants (UDG) Special Purpose Account leaving a balance of Kshs.25,380,918. This amount had not been transferred to the UDG account as at the time of audit in November, 2021.

2.3 Wajir Municipality

During the year under review, UDG disbursements to Wajir Municipality amounted to Kshs.51,866,063 which was received in the County Revenue Fund (CRF) account for Wajir County at the Central Bank of Kenya. Out of this amount, Kshs.24,462,565 had not yet been transferred to the UDG special purpose account as at the time of audit in November, 2021.

2.4 Garissa Municipality

Included in Annex 4 to the financial statements - Municipalities UDG receipts and expenditure reports, is an amount of Kshs.112,625,979 being disbursements to Garissa County for UDG funding. As at the time of the audit verification exercise in November, 2021, the funds had not been transferred to UDG Special Purpose Account.

No reason was provided by the project management for the failure to transfer the funds to the project account.

3. Over Expenditure/ Budget Over run-Construction of Roads in Industrial Area Site and Service Kabati (Naivasha Municipality)

The approved budget for the proposed construction of roads in industrial area Site and Service Kabati project within Naivasha Municipality was Kshs.188,075,500. However, the total contract sum paid by the Municipality was Kshs.199,413,566 resulting in an unauthorized and unexplained over-expenditure of Kshs.11,338,066.

4. Unapproved Inter-Account Borrowing by Counties and Municipalities

4.1. Garissa County

As previously reported, the Project's management borrowed Kshs.205,234,132 from the Kenya Urban Support Program (KUSP) account to the recurrent and development accounts for Garissa County, both held at the Central Bank of Kenya. Although the inter-account borrowings was later refunded to the KUSP account by the County, there was no authorization for the inter-account transfers between the Project account and the County Governments operations accounts.

Although the matter has been presented at the Senate, a determination is yet to be made.

Further, Urban Institutional Grants (UIG) disbursement in the 2018/2019 financial year for Garissa County was Kshs.41,200,000 which was received in the UIG Special Purpose Account (SPA). It was noted that on 3 July, 2019 an amount of Kshs.41,000,000 was transferred from this account to the Urban Development Grant SPA (inter-account borrowing). Further, on 19 June, 2020, an amount of Kshs.41,200,000 was transferred from the UDG account to the UIG the account as a refund of the funds earlier credited. However, the extra funds of Kshs.200,000 transferred from to the UIG account had not been refunded by November, 2021. It was also noted that the closing bank balance for UIG account as at 30 June, 2021 was Kshs.1,561, an indication that the extra funds had already been spent.

No authority was provided for the inter-account borrowing. Further, no reason has been provided for the unauthorized spending of UDG Kshs.200,000 in UIG account.

4.2. Trans Nzoia County

Review of the bank statements for UIG funds disbursed to Trans Nzoia County revealed that a total amount of Kshs.58,129,859 had been spent as at May, 2020. This amount was above the Kshs.50,000,000 budgeted for Urban Institutional Grant activities. This is an indication that there was an unapproved over-expenditure on the UIG funds of Kshs.8,129,859 for the County. The over expenditure of Kshs.8,129,859 from UIG account affects funds that could have been utilized for other planned projects under UDG.

It was also noted that over the four years the programme has been in existence, a total of Kshs.37,915,400 had been borrowed from the Urban Development Grant (UDG) Account to fund UIG activities without approval. Out of this amount, only Kshs.29,434,840 has been refunded to the UDG account leaving a balance of Kshs.8,480,560 pending. It was noted that the UIG account balance as at 30 June, 2021 was Kshs.459,060 and therefore the possibility of making the refund of Kshs.8,480,560 was doubtful.

The above unauthorized borrowings are contrary to Section 53(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that except as provided for in the Act and these Regulations, an Accounting Officer of an entity may not authorize payment to be made out of funds earmarked for specific activities for purposes other than those activities. Further, sub-section 2 provides that a public officer who makes a payment contrary to paragraph (1) commits an offence under the Act.

5. Unsupported Expenditure

5.1 Unsupported RTGS Payment (Lodwar Municipality)

Urban Development Grant (UDG) funds amounting to Kshs.95,023,200 were disbursed to Urban Institutional Grant (UIG) account for Lodwar Municipality on 22 January, 2019. However, there was a payment of Kshs.1,994,000 to a local contractor from this account on 19 June, 2019 before the balance of Kshs.93,029,200 was refunded to the UDG account on 11 June, 2020. The payment in question was however, not supported with requisite documentation and it was not possible to confirm under which item it was classified since it was neither posted in the UDG or the UIG account cash book, and only appeared in the UIG account bank statement as an RTGS payment.

Although Management have explained that the payment was in respect of imprest drawn in favor of an officer, no supporting evidence were provided to support the expenditure.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by International Development Agency (IDA) and the Financing agreement, I report based on my audit, that:

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 December, 2021

Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021.

	Note	2020/21			2019/20			Cumulative to-date
		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	
RECEIPTS		KShs	KShs		KShs	KShs		KShs
Transfer from Government entities	1	102,998,907	-	102,998,917.3	79,874,381	-		182,873,288
Loan from external development partners	2	358,811,292	6,314,968,123	6,673,779,415	137,696,000	8,515,676,121	8,515,676,121	29,164,116,208
TOTAL RECEIPTS		461,810,199	6,314,968,123	6,776,778,322	217,570,381	8,515,676,121		29,346,989,496
PAYMENTS								
Purchase of goods and services	3	325,640,885	-	325,640,885	331,348,055	-	331,348,055	939,333,274
Acquisition of Non-financial assets	4	4,985,750	-	4,985,750	10,620,000	-	10,620,000	31,565,245
Transfers to Counties	5	-	6,314,968,123	6,314,968,123	-	8,515,676,121	8,515,676,121	28,149,346,744
TOTAL PAYMENTS		330,626,635	6,314,968,123	6,645,594,758	341,968,055	8,515,676,121	8,857,644,176	29,120,245,263
SURPLUS/DEFICIT		131,183,564	-	131,183,564	(124,397,674)	-	(124,397,674)	226,744,232

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



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



Project Coordinator
Name: Charles K' Onyango




Project Accountant
Name: Christopher Kingi
ICPAK Member No. 9467


*Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021*


7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

	Note	2020/21	2019/20
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7 A	239,071,646	107,285,373
Cash Balances	7 B	-	-
Total Cash and Cash Equivalents	7	239,071,646	107,285,373
Accounts receivables – Imprest and Advances	8	-	602,709
TOTAL FINANCIAL ASSETS		239,071,646	107,888,082
REPRESENTED BY			
Fund balance b/fwd	9	107,888,082	219,958,344
Prior year adjustments	10	-	12,327,413
Surplus/Deficit for the year		131,183,564	(124,397,674)
NET FINANCIAL POSITION		239,071,646	107,888,082

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/9/2021 2021 and signed by:


Principal Secretary
Date: 30/9/2021


Project Coordinator
Date: 30/9/2021



Project Accountant
Date: 30/9/2021
ICPAK Member No. 9467

*Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021*

8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021


		2020/21	2019/20
	Note	KShs	KShs
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts for operating activities			
Transfer from Government entities	1	102,998,907	79,874,381
Payments from operating activities			
Purchase of goods and services	3	(325,640,885)	(331,348,055)
Transfers to Other Government Entities	5	(6,314,968,123)	(8,515,676,121)
		(6,537,610,101)	(8,767,149,795)
Change in Imprests & Advances	8	602,709	(602,709)
Adjustments during the year	10	-	12,327,413
Net cash flow from operating activities		(6,537,007,392)	(8,755,425,091)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Non-financial Assets	4	(4,985,750)	(10,620,000)
Net cash flows from Investing Activities		(4,985,750)	(10,620,000)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	2	6,673,779,415	8,653,372,121
Net cash flow from financing activities		6,673,779,415	8,653,372,121
NET INCREASE IN CASH AND CASH EQUIVALENT		131,786,273	(112,672,970)
Cash and cash equivalent at BEGINNING of the year		107,285,373	219,958,343
Cash and cash equivalent at END of the year		239,071,646	107,285,373

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 30/9/2021 2021 and signed by:



Principal Secretary

Date: 30/9/2021



Project Coordinator

Date: 30/9/2021

Project Accountant

Date: 30/9/2021

ICPAK Member No.9467

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

Receipts/Payments Item	Original Budget A	Adjustments b	Final Budget c=a+b	Actual Comparable Basis D	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Transfer from Government entities	200,000,000	(95,700,000)	104,300,000	102,998,907	1,301,093	99%
Proceeds from domestic and foreign grants	-	-	-	-	-	-
Proceeds from borrowings	7,366,000,000	-	7,366,000,000	6,673,779,415	692,220,585	91%
Miscellaneous receipts						
Total Receipts	7,566,000,000	(95,700,000)	7,470,300,000	6,776,778,322	693,521,678	91%
Payments						
Compensation of employees						
Purchase of goods and services	1,165,000,000	(80,700,000)	1,084,300,000	325,640,885	758,659,115	30%
Social security benefits						
Acquisition of non-financial assets	35,000,000	(15,000,000)	20,000,000	4,985,750	15,014,250	25%
Transfers to other government entities	6,366,000,000	-	6,366,000,000	6,314,968,123	51,031,877	99%
Other grants and transfers						
Total Payments	7,566,000,000	(95,700,000)	7,470,300,000	6,645,594,758	824,705,242	89%

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


Principal Secretary

Date 30/9/2021


Project Coordinator

Date 30/9/2021


Project Accountant

Date 30/9/2021

ICPAK Member No.9467

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.2 Statement of compliance and basis of preparation

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

The accounting policies adopted have been consistently applied to all the years presented.

10.3 Reporting entity

The financial statements are for the Project Kenya Urban Support Programme under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.3.1 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.

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10.4 Significant Accounting Policies

a) Recognition of receipts

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

i) Transfers from the Exchequer

Transfer from Exchequer is 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.

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 recognized in the financial statements the time associated cash is received.

b) 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.

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Significant Accounting Policies (Continued)

c) Proceeds from borrowing

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

d) Undrawn external assistance

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

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.

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Significant Accounting Policies (Continued)

iii) Interest on borrowing

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

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.

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Significant Accounting Policies (Continued)

i)Contingent Liabilities

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 5** of this financial statement is a register of the contingent liabilities in the year.

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

j) Contingent Assets

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

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Significant Accounting Policies (Continued)

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.

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.

h) Accounts receivable

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

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Significant Accounting Policies (Continued)

k) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they 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.

l) Budget

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

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

m) Third party payments

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

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

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Significant Accounting Policies (Continued)

n) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into 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.

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 20XX.

q) Errors

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

*Kenya Urban Support Program
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11. NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS FROM GOVERNMENT OF KENYA

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

	2020/21	2019/20	Cumulative
	KShs	KShs	to-date
<i>Counterpart funding through State Department for Housing and Urban Development</i>			
Counterpart funds Quarter 1			
Counterpart funds Quarter 2			
Counterpart funds Quarter 3			
Counterpart funds Quarter 4	102,998,907	79,874,381	182,873,288
<i>Other transfers from government entities</i>			
Appropriations-in-Aid			
Total	102,998,907	79,874,381	182,873,288

[Provide explanation as necessary noting that "Other transfers from government entities" is not the counterpart funding which is the government's share of contribution towards the implementation of the project as mandated by the Project Agreement.]

*Kenya Urban Support Program
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2021 we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency (\$)	Loans received in cash	Loans received as direct payment*	Total amount in KShs			
					KShs	KShs	FY 2020/21	FY 2019/20
		USD	KShs	KShs				
Loans Received from Multilateral Donors (International Organisations)								
IDA - NPCT		3,264,295	358,811,292		358,811,292		137,696,000	
IDA - Counties		58,560,163	6,314,968,123		6,314,968,123		8,515,676,121	
Total		61,824,458	6,673,779,415		6,673,779,415		8,653,372,121	

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. PURCHASE OF GOODS AND SERVICES

	FY 2020/21			FY 2019/20	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
Utilities, supplies and services					24,058,540
Domestic travel and subsistence				51,355,644	88,777,842
Foreign travel and Subsistence				3,042,475	4,598,481
Training payments					53,487,577
Hospitality Supplies and Services					114,047
Insurance costs					355,946
Office and general supplies and services	19,219,760		19,219,760	37,250,008	56,469,768
Other operating expenses	306,421,125		306,421,125		306,720,625
Consultancy services: – Technical and professional services				239,699,928	404,750,448
Total	<u>325,640,885</u>		<u>325,640,885</u>	<u>331,348,055</u>	<u>939,333,274</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. ACQUISITION OF NON-FINANCIAL ASSETS

	FY 2020/21			FY 2019/20	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
Construction of civil works					
Overhaul & refurbishment of construction and civil works					15,959,495
Purchase of vehicles & other transport equipment				10,620,000	10,620,000
Research, studies, project preparation, design & supervision	4,985,750		4,985,750		4,985,750
Total	4,985,750		4,985,750	10,620,000	31,565,245

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5. TRANSFERS TO COUNTIES

	FY 2020/21		FY 2019/20	Cumulative to-date
	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs
Amounts disbursed				
• Urban Institutional Grants (UIG)	8,800,000	8,800,000	387,200,000	2,250,000,000
• Urban Development Grant (UDG)	6,306,168,123	6,306,168,123	8,128,476,121	25,899,346,744
•				
TOTAL	6,314,968,123	6,314,968,123	8,515,676,121	28,149,346,744

The amounts above are accounted for as below:

6. ANALYSIS OF AMOUNTS TRANSFERRED TO COUNTIES

	FY 2020/21		FY 2019/20	Cumulative to-date
		(Restated Balances)		
	KShs	KShs	KShs	KShs
Opening balance (A)	13,319,999,857	13,144,794,824		-
Add: Amounts disbursed during the year (B)				
• Urban Institutional Grants (UIG)	8,800,000	387,200,000		2,250,000,000
• Urban Development Grant (UDG)	6,306,168,123	8,128,476,121		25,899,346,744
Less: Expenditure incurred (C)				
• Expenditure incurred under UIG (See Annex 3)	(890,570,434)	(1,056,671,360)		(1,956,955,051)
• Expenditure incurred under UDG (See Annex 4)	(7,235,264,867)	(7,283,799,728)		(14,683,259,015)
Closing balance (A+B-C)	11,509,132,678	13,319,999,857		11,509,132,678

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5. TRANSFERS TO COUNTIES

	FY 2020/21		FY 2019/20	Cumulative to-date
	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs
Amounts disbursed				
• Urban Institutional Grants (UIG)	8,800,000	8,800,000	387,200,000	2,250,000,000
• Urban Development Grant (UDG)	6,306,168,123	6,306,168,123	8,128,476,121	25,899,346,744
•				
TOTAL	6,314,968,123	6,314,968,123	8,515,676,121	28,149,346,744

The amounts above are accounted for as below:

6. ANALYSIS OF AMOUNTS TRANSFERED TO COUNTIES

	FY 2020/21		FY 2019/20	Cumulative to-date
	KShs	KShs	KShs	KShs
Opening balance (A)	13,319,999,857	13,144,794,824		-
Add: Amounts disbursed during the year (B)				
• Urban Institutional Grants (UIG)	8,800,000	387,200,000		2,250,000,000
• Urban Development Grant (UDG)	6,306,168,123	8,128,476,121		25,899,346,744
Less: Expenditure incurred (C)				
• Expenditure incurred under UIG (See Annex 3)	(890,570,434)	(1,056,671,360)		(1,956,955,051)
• Expenditure incurred under UDG (See Annex 4)	(7,235,264,867)	(7,283,799,728)		(14,683,259,015)
Closing balance (A+B-C)	11,509,132,678	13,319,999,857		11,509,132,678

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. CASH AND CASH EQUIVALENTS

	FY 2020/21	FY 2019/20
	KShs	KShs
Bank accounts (Note 7 A)	239,071,646	107,285,373
Cash in hand (Note 7 B)	-	-
Cash equivalents (short-term deposits) (Note 7 C)	-	-
Breakdown of imprests and advances (Note 8)	-	602,709
Total	<u>239,071,646</u>	<u>107,888,082</u>

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

7 A Bank Accounts

Project Bank Accounts

	2020/21	2019/20
	KShs	KShs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No. 10003317876]	1,200,083.10	2,732,793.69
Central Bank of Kenya [A/c No. 10003354507]	38.24	21,473,778.24
Total Foreign Currency balances	1,200,121.34	24,206,571.93
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No 1000319283]	239,071,646	107,285,373
Total local currency balances	239,071,646	107,285,373
Total bank account balances	240,271,767.34	131,491,944.93

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2021 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

	2020/21	2019/20
	KShs	KShs
(i) KENYA URBAN SUPPORT PROGRAMME – IDA 61340 [A/c No 1000317876]		
Opening balance	2,732,793.69	426,075
Total amount deposited in the account	1,731,584.28	3,606,718.69
Total amount withdrawn (as per Statement of Receipts & Payments)	(3,264,294.87)	(1,300,000)
Closing balance (as per SDA bank account reconciliation attached)	<u>1,200,083.10</u>	<u>2,732,793.69</u>
(ii) KENYA URBAN SUPPORT PROGRAMME – IDA 61340 [A/c No 1000354507]		
Opening balance (as per the SDA reconciliation)	21,473,778.24	17,647,398.04
Total amount deposited in the account	-	102,368,778.24
Total amount withdrawn (as per Statement of Receipts & Payments)	(21,473,740.00)	(98,542,398.04)
Closing balance (as per SDA bank account reconciliation attached)	<u>38.24</u>	<u>21,473,778.24</u>

The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as *Appendix v* support these closing balances and *annex 6*.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 B Cash In Hand

	2020/21	2019/20
	KShs	KShs
Cianda House	-	-
Total cash balances	=	=

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

7 C Cash equivalents (short-term deposits)

	2020/21	2019/20
	KShs	KShs
Central Bank of Kenya	-	-
Total	=	=

There were no short term deposits at the end of the year

8. BREAKDOWN OF IMPRESTS AND ADVANCES

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Due Date of Surrender</i>	<i>Amount Surrendered</i>	<i>Balance 2021</i>	<i>Balance 2020</i>
<i>Paul Chepkwony</i>	-	-	-	-	602,709
Total	=	=	-	-	602,709

9. FUND BALANCE BROUGHT FORWARD

	2020/21	2019/20
	KShs	KShs
Bank accounts	107,285,373	219,958,343
Cash in hand		
Cash equivalents (short-term deposits)		
Outstanding imprests and advances	602,709	
Total	107,888,082	219,958,343

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. PRIOR YEAR ADJUSTMENT

	Balance b/f FY 2019/2020 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances		12,327,413	12,327,413
Cash in hand			
Accounts Payables			
Receivables			
Others (<i>specify</i>)			
Total		12,327,413	12,327,413

(Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy.)

11. CHANGES IN RECEIVABLE

Description of the error	2020 - 2021	2019 - 2020
	KShs	KShs
Outstanding Imprest as at 1 st July 2020	602,709	-
Imprest issued during the year	30,358,800	54,398,119
Imprest surrendered during the Year	(30,961,509)	(53,795,410)
Net changes in account receivables	-	602,709

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12. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 5)

	FY 2020/21	FY 2019/20
	Kshs	Kshs
Construction of buildings		
Consultancy services		
Supply of goods		
Supply of services	2,567,156	2,661,615
	2,567,156	2,661,615

Kenya Urban Support Program
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OTHER IMPORTANT DISCLOSURES (Continued)

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Unsupported Transfers to Counties: No expenditure returns were received from the Counties	The expenditure returns from the Counties have been shared with the Auditor General so that these expenditures can be audited for the last three financial years.	Ongoing	
2	Motor Vehicles without Log Books	The log books have been collected from the National Transport and Safety Authority.	Resolved	
3.	Pending bills	The pending bills of Ksh 2,661,615 have been paid in full.	Resolved	
4.	Disbursement of Funds to Counties	The UIG disbursement of Ksh 387,200,000 was the 2 nd tranche to be released to the	Resolved	

**Kenya Urban Support Program
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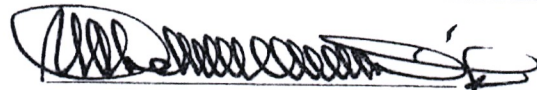
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>Counties after the first tranche of Ksh 1,854,000,000 was released during the FY 2018/19. The UIG funds are for establishing Municipalities' structures and building the capacities at the Municipalities/Counties.</p> <p>These funds were supposed to be released in three tranches and run through the Project implementation period to assist in the implementation and capacity building at the Counties.</p>		



Principal Secretary

30/9/2021

Date



Project Coordinator

30/9/2021

Date

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14. ANNEXES

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	104,300,000	102,998,907	1,301,093	99%	
Proceeds from domestic and foreign grants	-	-	-	-	
Proceeds from borrowings	7,366,000,000	6,673,779,415	692,220,585	91%	
Miscellaneous receipts	-	-	-	-	
Total Receipts	7,470,300,000	6,776,778,322	693,521,678	91%	
Payments					
Compensation of employees	-	-	-	0%	
Purchase of goods and services	1,084,300,000	325,640,885	758,659,115	30%	This was caused by the delay in procurement processes and the effects Covid-19 slowed down implementation of Programme activities.
Social security benefits	-	-	-	-	
Acquisition of non-financial assets	20,000,000	4,985,750	15,014,250	25%	This was caused by the delay in procurement processes and the effects Covid-19 slowed down implementation of Programme activities.
Transfers to other government entities	6,366,000,000	6,314,968,123	51,031,877	96%	
Other grants and transfers	-	-	-	-	
Total payments	7,470,300,000	6,645,594,758	824,705,242	89%	

Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Opening Cost (KShs) 2020/21 (a)	*Purchases/Additions in the Year (KShs) 2020/21 (b)	** Disposals in the Year (KShs) 2020/21 (c)	Closing Cost (KShs) 2020/21 (d)= (a)+ (b)-(c)
Land				
Buildings and structures				
Transport equipment	10,620,000	-	-	10,620,000
Office equipment, furniture and fittings		766,140		766,140
ICT Equipment, Software and Other ICT Assets	15,959,495	6,762,070		22,721,565
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	26,579,495	7,528,210	-	34,107,705

Notes

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

** The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold. The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year should be to note 18 on acquisition of assets during the year. Ensure this section is complete covering all the entities assets below the complex fixed asset register is separately prepared as per circular number 5/2020 and follow up reminder of circular No. 23/2020 of The National Treasury

*Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021*

ANNEX 3 – COUNTIES UIG RECEIPTS AND EXPENDITURE REPORTS

County Code	County Name	OPENING BALANCE (A)	DISBURSEMENT DURING THE YEAR (B)	EXPENDITURE DURING THE YEAR (C)	CLOSING BALANCE (D=A+B-C)
1	Baringo County	39,066,924	-	18,506,315	20,560,609
2	Bomet County	34,850,799	-	34,807,626	43,173
3	Bungoma County	15,553,757	-	14,531,081	1,022,677
4	Busia County	23,218,239	-	23,157,940	60,299
5	Elgeyo Marakwet County	9,716,165	-	9,016,695	699,470
6	Embu County	9,220,156	-	9,220,156	-
7	Garissa county	9,293,191	-	9,091,630	201,561
8	Homabay County	45,058,482	-	45,058,482	-
9	Isiolo County	15,559,158	-	15,303,976	255,182
10	Kajiado County	49,188,900	-	48,876,603	312,298
11	Kakamega County	37,291,102	-	37,291,102	-
12	Kericho County	23,672,278	-	23,671,214	1,064
13	Kiambu County	10,080,559	-	10,080,559	-
14	Kilifi County	34,895,230	-	19,537,000	15,358,230
15	Kirinyaga County	37,987,622	-	25,448,625	12,538,997
16	Kisii County	17,908,250	-	17,147,442	760,808
17	Kisumu County	33,740,577	-	18,866,014	14,874,563
18	Kitui County	29,362,558	-	23,166,697	6,195,861
19	Kwale County	47,826,850	-	11,715,422	36,111,428
20	Laikipia County	33,937,636	-	28,470,158	5,467,478
21	Lamu County	48,261,250	-	6,321,361	41,939,889
22	Machakos County	27,907,841	-	23,088,915	4,818,925
23	Makueni County	38,789,815	-	32,228,871	6,560,944

Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021

County Code	County Name	OPENING BALANCE (A)	DISBURSEMENT DURING THE YEAR (B)	EXPENDITURE DURING THE YEAR (C)	CLOSING BALANCE (D=A+B-C)
24	Mandera County	11,921,747	-	10,783,880	1,137,867
25	Marsabit County	44,617,295	-	32,583,738	12,033,557
26	Meru County	17,380,925	-	17,249,812	131,113
27	Migori County	22,172,586	-	22,169,562	3,024
28	Muranga County	41,206,550	-	38,715,419	2,491,131
29	Nakuru County	16,529,924	-	5,022,743	11,507,181
30	Nandi County	14,811,480	-	10,689,210	4,122,271
31	Narok County	45,363,033	-	19,683,961	25,679,072
32	Nyamira County	20,275,157	-	20,275,157	-
33	Nyandarua County	38,566,020	-	21,446,092	17,119,928
34	Nyeri County	38,652,260	-	11,748,784	26,903,476
35	Samburu County	23,473,930	8,800,000	22,694,013	9,579,917
36	Siaya County	17,115,803	-	17,083,288	32,516
37	Taita Taveta	25,465,031	-	25,465,031	-
38	Tana River County	45,271,100	-	35,813,417	9,457,683
39	Tharaka Nithi County	21,654,608	-	19,871,953	1,782,655
40	Trans Nzoia County	4,274,459	-	3,815,399	459,060
41	Turkana County	8,803,296	-	8,789,613	13,683
42	Uasin Gishu County	13,492,084	-	9,806,535	3,685,549
43	Vihiga County	9,969,151	-	9,943,006	26,145
44	Wajir County	22,167,342	-	13,373,857	8,793,485
45	West Pokot County	8,957,519	-	8,942,082	15,437
	TOTAL	1,184,528,640	8,800,000	890,570,434	302,758,205

*Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021*

ANNEX 4 – MUNICIPALITIES UDG RECEIPTS AND EXPENDITURE REPORTS

County Code	Municipality Name	OPENING BALANCE (A)	DISBURSEMENT DURING THE YEAR (B)	EXPENDITURE DURING THE YEAR (C)	CLOSING BALANCE (D=A+B-C)
1	Baringo	55,983,690	29,239,345	18,163	85,204,872
2	Bomet	148,324,356	92,307,576	133,002,415	107,629,517
3	Bungoma - Bungoma	132,308,069	60,523,334	186,113,017	6,718,386
4	Bungoma - Kimilili	30,351,966	103,916,733	-24,413,119	158,681,819
5	Busia	103,484,169	55,728,978	113,685,025	45,528,122
6	Elgeyo Marakwet	37,687,243	49,600,541	13,050,827	74,236,957
7	Embu County	97,091,179	65,963,848	98,213,336	64,841,691
8	Garissa	314,773,516	112,625,979	254,055,432	173,344,063
9	Homabay	104,278,925	65,675,301	60,357,358	109,596,868
10	Isiolo	87,115,920	51,866,063	37,834,450	101,147,532
11	Kajiado - Kajiado	46,152,179	27,955,677	12,469,816	61,638,039
12	Kajiado Ngong	240,897,487	117,436,392	78,247,305	280,086,574
13	Kakamega - Kakamega	366,016,546	100,239,619	345,618,321	120,637,844
14	Kakamega - Mumias	-26,846,212	112,132,973	-61,510,605	146,797,367
15	Kericho	377,419,367	139,378,504	141,527,249	375,270,622
16	Kiambu - Karuri	388,075,563	126,969,146	369,443,123	145,601,586
17	Kiambu - Kiambu	213,815,161	92,115,556	113,834,728	192,095,989
18	Kiambu - kikuuyu	595,253,029	290,419,222	367,007,723	518,664,529
19	Kiambu - Limuru	182,234,139	88,189,015	120,904,887	149,518,267
20	Kiambu - Ruiru	354,792,926	263,553,272	173,320,365	445,025,833
21	Kiambu - Thika	97,605,925	165,909,793	23,124,589	240,391,128
22	Kilifi - Kilifi	132,479,809	53,378,948	48,179,689	137,679,068
23	Kilifi - Malindi	162,660,758	127,134,792	48,581,385	241,214,164

Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021

County Code	Municipality Name	OPENING BALANCE (A)	DISBURSEMENT DURING THE YEAR (B)	EXPENDITURE DURING THE YEAR (C)	CLOSING BALANCE (D=A+B-C)
24	Kirinyaga	60,185,819	38,616,526	62,793,864	36,008,481
25	Kisii	49,687,526	89,979,516	-19,056,551	158,723,593
26	Kisumu	762,412,786	420,678,541	813,160,037	369,931,290
27	Kitui	81,777,201	126,367,908	104,361,935	103,783,174
28	Kwale	51,546,890	26,660,422	47,151,938	31,055,374
29	Laikipia	54,375,849	27,955,677	39,030,879	43,300,646
30	Lamu	67,881,877	25,365,167	16,248,766	76,998,278
31	Machakos - Kangundo	817,062,749	239,961,125	513,382,787	543,641,087
32	Machakos - Machakos	7,619,396	165,078,195	-218,804,868	391,502,459
33	Machakos - Mavoko	-4,989,959	148,735,716	-178,925,706	322,671,463
34	Makueni	33,047,400	74,865,781	-67,778,285	175,691,466
35	Mandera	1,037,886,913	96,377,846	1,083,443,276	50,821,484
36	Marsabit	85,758,455	26,012,795	30,145,874	81,625,375
37	Meru	170,524,200	64,331,378	81,516,914	153,338,664
38	Migori - Awendo	361,754,031	119,301,450	311,800,398	169,255,083
39	Migori - Migori	-24,730,818	73,430,769	-55,957,791	104,657,742
40	Migori - Rongo	-1,953,404	90,692,617	-31,465,658	120,204,870
41	Muranga	45,243,628	34,719,394	45,139,718	34,823,305
42	Nakuru - Naivasha	415,186,771	187,112,429	123,317,718	478,981,483
43	Nakuru - Nakuru	1,201,660,815	402,838,512	370,919,569	1,233,579,758
44	Nandi	192,480,209	97,145,818	43,187,708	246,438,319
45	Narok	75,760,171	41,499,481	72,982,052	44,277,600
46	Nyamira	168,692,151	63,143,203	56,420,039	175,415,315
47	Nyandarua	145,046,740	72,719,583	33,922,611	183,843,712
48	Nyeri	170,934,218	128,687,212	200,862,429	98,759,001

Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021

County Code	Municipality Name	OPENING BALANCE (A)	DISBURSEMENT DURING THE YEAR (B)	EXPENDITURE DURING THE YEAR (C)	CLOSING BALANCE (D=A+B-C)
49	Samburu	49,997,931	63,069,989	40,207,082	72,860,838
50	Siaya	53,452,704	27,308,049	28,817,986	51,942,768
51	Taita Taveta	36,259,036	27,955,677	34,877,668	29,337,045
52	Tana River	50,000,000	62,422,362	39,238,034	73,184,327
53	Tharaka Nithi	14,211,181	27,955,677	27,043,180	15,123,677
54	Trans Nzoia	268,927,509	162,657,959	80,450,243	351,135,225
55	Turkana	124,018,879	52,439,839	84,435,193	92,023,525
56	Uasin Gishu	762,906,759	342,682,015	255,140,634	850,448,140
57	Vihiga	295,458,460	136,470,034	359,242,704	72,685,791
58	Wajir	153,506,997	90,844,014	108,468,527	135,882,484
59	West Pokot	59,924,439	37,824,842	46,878,486	50,870,795
	TOTAL	12,135,471,217	6,306,168,123	7,235,264,867	11,206,374,473

*Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021*

ANNEX 5 – MINISTRY PENDING BILLS

Nicodemus Musyoka Mbwika	1,125,000
Maanzoni Lodge	214,400
Dignity Traders Limited	670,000
Sunset Hotel Ltd	234,000
Smart Printers Ltd	145,116
Bounty Car Rentals	178,640
TOTALS	2,567,156

*Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021*

ANNEX 6 – STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT - AMOUNT WITHDRAWN AND NOT CLAIMED - USD 3,169,399.85 RECONCILIATION

Description	Amount Ksh	Exchange Rate	Amount USD
Amount withdrawn and not claimed			3,169,399.85
Represented by:			
Withdrawal Application No. 10			1,234,835.45
Closing Balance	212,647,319	109.92	1,934,564.40
Total			3,169,399.85

*Kenya Urban Support Program
Reports and Financial Statements
For the financial year ended June 30, 2021*

APPENDICES

- i. Operational account Bank Reconciliation June 2020
- ii. Operational account Bank Reconciliations June 2021
- iii. Cash Count Certificate/Board of Survey
- iv. Bank certificate
- v. Special Deposit Account statements
- vi. Statement of Special (Designated) Account



REPUBLIC OF KENYA

FO 30

MINISTRY OF TRANSPORT, INFRASTRUCTURE, HOUSING & URBAN DEVELOPMENT
BANK RECONCILIATION STATEMENT
Jun-20
KENYA URBAN SUPPORT PROGRAM

BALANCE AS PER THE BANK STATEMENT

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

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

BALANCE AS PER THE CASH BOOK

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

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

Prepared by

Name: *D. M. G. [Signature]*
Designation: *[Signature]*
Signature: *[Signature]*

verified by

Name: *Christine Dumbya*
Designation: *Principal Accountant*
Signature: *[Signature]*

APPENDIX I

PAYMENT IN CASH BOOK NOT IN BANK STATEMENT JUNE 2020

DATE	PV NO	PAYEE	C/B No	AMOUNT KSH
30/6/2020	KUSP 0282	PATRICK NGATA KIRIUNGE	0043	1,203,500.00
30/6/2020	KUSP 0282	WITHHOLDING TAX	0043	66,500.00
30/6/2020	KUSP 0278	THE STANDARD GROUP	0044	2,353,133.00
30/6/2020	KUSP 0278	WITHHOLDING TAX	0044	50,054.85
30/6/2020	KUSP 0277	NATION MEDIA GROUP	0045	3,019,368.80
30/6/2020	KUSP 0277	WITHHOLDING TAX	0045	52,971.40
30/6/2020	KUSP 0201	PROF CALEB MIRERI	0046	1,003,000.00
30/6/2020	KUSP 0201	WITHHOLDING TAX	0046	57,000.00
30/6/2020	KUSP 0201	WITHHOLDING TAX	0047	1,173,250.00
30/6/2020	KUSP 0203	LEAH OYAKE OMBIS	0047	81,750.00
30/6/2020	KUSP 0203	WITHHOLDING TAX	0047	1,197,000.00
30/6/2020	KUSP 0204	JEAN ANGELA	0048	63,000.00
30/6/2020	KUSP 0204	WITHHOLDING TAX	0048	1,203,500.00
30/6/2020	KUSP 3465	JENNIFER WAMBUI	0049	66,500.00
30/6/2020	KUSP 3465	WITHHOLDING TAX	0049	10,436,898.55
30/6/2020	KUSP 3424	TOYOTA KENYA	0050	183,103.45
30/6/2020	KUSP 3424	WITHHOLDING TAX	0050	133,026.20
30/6/2020	KUSP 3425	SILVER SPRINGS HOTEL	0051	2,333.00
30/6/2020	KUSP 3425	WITHHOLDING TAX	0051	23,925,888.00

APPENDIX II

RECEIPTS IN BANK STATEMENT NOT IN CASH BOOK JUNE 2020

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

APPENDIX III

PAYMENT IN BANK STATEMENT NOT IN CASHBOOK JUNE 2020

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

APPENDIX IV

RECEIPTS IN CASHBOOK NOT IN BANK STATEMENT JUNE 2020

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

Appendix III

3.F.O 51

REPUBLIC OF KENYA

Date 9/7/2021

Report of the Board of Survey on the Cash and Bank Balances 30/06/2021 as at the close of business

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

JACKLINE NJOSE (SECRETARY)

assembled at the office of ACCOUNTANT (WOSP) (time) on the 17.00 PM and the following cash was produced :-

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

It was observed that cheques amounting to Sh. NIL 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 30/06/2021

Cash on hand	Sh.	NIL
Bank Balance	Sh.	239,071,646 35
		<u>239,071,646 35</u>

The Bank Certificate of Balance showed a sum of Sh. 269,314,239

35 Cts (Sh. Cts.)

standing to the credit of the account on

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

DATE 9/7/2021 SECRETARY [Signature]

Chairman MEMBER [Signature]

Appendix IV

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

July 15, 2021

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000, Fax: 340192

CERTIFICATE OF BALANCES

Customer: 139523- STATE DEPT FOR HOUSING URBAN DEV

Balance Date: 30 JUN 2021

Account No	Account Name	Currency	Balance
1000395516	REC-STATE DEPT FOR HOUS URB DEV	KES	43,441,647.40
1000395583	DEV-STATE DEPT FOR HOUS URBAN DEV	KES	40,983,072.45
1000395672	DEP-STATE DEPT FOR HOUS URBAN DEV	KES	431,993,211.25
1000395737	CBK165-STATE DEPT FOR HOU URB DEV	KES	0.00
1000396358	RENT FROM GOVT BLDG HOUSING AIA	KES	2,583,338.95
1000396938	NAIROBI METRO SERV IMPR PROJ CFUND	KES	45,738.00
1000396946	KENYA URBAN SUPPORT PR IDA A61340 0	KES	269,314,239.35
1000396954	NAIROBI METR SERV IMPR PRJ NaMSIP	KES	1,884.95

Handwritten signature of Lawrence Rweria in black ink.

Lawrence Rweria
Authorised Signatory
Banking Services Division

Handwritten signature of Joyce Nasieku in black ink.

Joyce Nasieku(Ms)
Authorised Signatory
Banking Services Division

TAM.E.STMT.OF.ACCT.EPRM

Results 1 - 2 of 2

Run Date: 15/07/2021 Run Time: 14:46:31
CENTRAL BANK OF KENYA
BANKI KUU YA KENYA
P.O.BOX 60000-0200
NAIROBI

STATEMENT OF ACCOUNT

PAGE NO: 1

ACCOUNT NUMBER: 1000354507

ACCOUNT TITLE: (K) URBAN SUPPORT PROG. C.R. 0311-KK
36/06/2021

NO.	DATE	REFERENCE NO.	DETAILS	DEBIT	CREDIT BALANCE
	OPENING BAL:		21,473,778.14		
	Value Date	Reference No.	Details	Debit	Credit
1	04/11/2020	FD00009455804	P.A. 25467	17,422,749.00	2,990
2	11/05/2021	11211215K034R	P.A. 25462	3,051,000.00	2,990
					36,416,38.14
					18.24

STATEMENT OF ACCOUNT

STATEMENT OF ACCOUNT

Environment: TAM.E.STMT.OF.ACCT.EPRM

Menu Options:

Account: 1000354507

Statement From: 20200701

Statement To: 20210630

TAM.E.STMT.OF.ACCT.EPRM

Appendix Vb

TAM.E.STMT.OF.ACCT.EPRM

Results 1 - 3 of 3

Run Date: 15/07/2021 Run Time: 13:11:10
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O BOX 50000-0200
 NAIROBI

STATEMENT OF ACCOUNT

PAGE NO. 1

ACCOUNT NUMBER: 1000317876

ACCOUNT TITLE: KENYA URBAN SUPPORT PROGRAMME
 30.00/2021

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
	OPENING BAL :			1,732,793.69	Balance
NO	Value Date	Reference.No	Details	Debit	Credit
1	20/08/2020	FT20231212GK	KENYA URBAN FUND	0.00	931,566.18
2	23/01/2021	FT210250149W	PA125303	3,269,296.87	0.00
3	03/03/2021	FT21064ZFW1F	FUNDING	0.00	174,018.10
				CLOSING BALANCE: 1200093.1	

END OF ACCOUNT STATEMENT -

Favourites TAM.E.STMT.OF.ACCT.EPRM Menu Options
Clear Selection Find

Account 1000317876

Statement From 20200701

Statement To 20210830

TAM.E.STMT.OF.ACCT.EPRM

Appendix Vi

KENYA URBAN SUPPORT PROGRAM STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION FOR THE YEAR ENDED 30 JUNE 2021

Credit No.: IDA LOAN CREDIT NO.61340-KE: (DA-C) NATIONAL

Bank Account No.: 1000317876 Held with CENTRAL BANK OF KENYA

		NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA			10,338,362.97
	Less:			
2	Total amount documented			5,968,880.02
3	Outstanding amount to be documented			4,369,482.95
	Represented by:			
4	Ending Special account Balance as as 30 June 2021			1,200,083.10
5	Amounts claimed but not credited as at 30th June 2021			-
6	Amounts withdrawn and not claimed			3,169,399.85
7	Service Charges (if not included in lines 5 and 6 above)			-
8	Interest earned (if included in Special Account)			-
9	Total advance to Special Account Year ended 30 June 2021			4,369,482.95

Discrepancy between total appearing on line 3 and 9

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs

Amelia
AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

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