

*Enhancing Accountability*

|                                      |               |
|--------------------------------------|---------------|
| <b>REPORT</b>                        |               |
| THE NATIONAL ASSEMBLY<br>PAPERS LAID |               |
| DATE: 25 FEB 2021                    | DAY: Thursday |
| OF                                   |               |
| TABLED BY:                           | LOM           |
| CLERK-AT THE-TABLE:                  | Haima Suleman |

PARLIAMENT  
OF KENYA  
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**THE AUDITOR-GENERAL**

**ON**

**KENYA TRANSPORT SECTOR SUPPORT  
PROJECT (IDA CREDIT NO. 4926-KE AND  
NO. 5410-KE (COMPONENT B1 SUPPORT  
TO MINISTRY OF ROADS))**

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

**STATE DEPARTMENT FOR  
INFRASTRUCTURE**





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**KENYA TRANSPORT SECTOR SUPPORT PROJECT**

**STATE DEPARTMENT OF INFRASTRUCTURE**

**PROJECT GRANT/CREDIT NUMBER: IDA 4926-KE and 5410-KE**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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



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**Kenya Transport Sector Support Project (KTSSP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2020**

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**1. PROJECT INFORMATION AND OVERALL PERFORMANCE**

**1.1 Name and registered office**

**Name:** The project's official name is Kenya Transport Sector Support Project.

**Objective:** The key objective of the project is to improve the efficiency of road transport along the Northern corridor.

**Address:** The project headquarters offices are at Transcom Building Nairobi, Nairobi County, Kenya.

The address of its registered office is:  
State Department of Infrastructure  
P.O.Box 30260-0100  
Nairobi.

**Contacts:** The following are the project contacts

Telephone (020) 2723232  
E-mail: [ps@infrastructure.go.ke](mailto:ps@infrastructure.go.ke)  
[E-mail: chiefengineerroads@gmail.com](mailto:chiefengineerroads@gmail.com)  
Website: [www.transport.go.ke](http://www.transport.go.ke)

Telephone: (254) 20202020  
E-mail: [20202020.go.ke](mailto:20202020.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**1.2 Project Information**

|                     |                                                        |
|---------------------|--------------------------------------------------------|
| Project Start Date: | The project start date is 24th August,2011             |
| Project End Date:   | The project end date is 31 <sup>st</sup> December,2019 |
| Project Manager:    | The project manager is Eng. James Kung'u               |
| Project Sponsor:    | The project sponsor is World Bank(IDA)                 |



**Kenya Transport Sector Support Project (KTSSP)**  
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### 1.3 Project Overview

|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line Ministry/State Department of the project              | The project is under the supervision of the State Department of Infrastructure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Project number                                             | P124109                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Strategic goals of the project                             | The strategic goals of the project are as follows:<br><br>(i) Improve the institutional capacity of entities implementing the project at the headquarters.<br><br>(ii) Better arrangements in the urban transport sub-sector.                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Achievement strategic goals of                             | The project management aims to achieve the goals through the following means:<br>(i) Support and enhance operations of National Construction Authority and Engineers Board of Kenya.<br>(ii) Study the role and impact of the new constitution regarding the State Department of Infrastructure vis-à-vis the different departments and authorities under team.<br>(iii) Facilitate monitoring and evaluation of the project.<br>(iv) Training manpower in the Kenya Roads Board, Resource Mobilization Department, State Law and State Department of Infrastructure.<br>(v) Inventory of unclassified roads and recommendation thereof for maintenance and management. |
| Current situation that the project was formed to intervene | The project was formed to intervene in the following areas:<br>(i) Challenges faced in implementation of National Urban Transport Improvement Project(NUTRIP).<br>(ii) Coming into effect of the new Constitution.                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Project duration                                           | The project started on 24 <sup>th</sup> August 2011 and is expected to run until 31 Dec 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |



**Kenya Transport Sector Support Project (KTSSP)**  
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***For the financial year ended June 30, 2020***

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**1.4 Bankers**

The following are the bankers for the current year:

**(i) Project account**

Central Bank of Kenya

Haile Selassie Avenue

P. O. Box 60000-0200

Nairobi, Kenya.

**(ii) Designated account**

I&M Bank Ltd

Kenyatta Avenue

P. O. Box 30238-00100

Nairobi, Kenya.

**1.5 Auditors**

The project is audited by the:  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O.Box 30084-00100  
Nairobi, Kenya



**Kenya Transport Sector Support Project (KTSSP)**  
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## 1.6 Roles and Responsibilities

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

The project manager and the key stakeholders involved in the project are: -

| Names                | Title designation   | Key qualification                  | Responsibilities                                                 |
|----------------------|---------------------|------------------------------------|------------------------------------------------------------------|
| Eng. J. Kung'u       | Project Team Leader | Msc.(Civil Engineering)            | proper management of the implementation                          |
| Eng. James W. Theuri | Deputy Team Leader  | Msc.(Civil Engineering)            | Technical coordination and management of entities on the project |
| Judith Kerich        | Assist. Team Leader | MBA(strategic management)          | Administration and financial coordination                        |
| Elizabeth Adhiambo   | Project Accountant  | BBA (Accounting and Finance, CPA-K | Proper funds flow and timely financial reports                   |

## 1.7 Funding summary

The Project is for duration of six (6) years from 2011 to 2016 revised to 2019 with an approved budget of US\$ 19.1 million (use donor currency) equivalent to Kshs 1.5 billion as highlighted in the table below:

Below is the funding summary:

| Source of funds               | Donor Commitment- |                      | Amount received to date – (31.12. 2020) |                      | Undrawn balance to date (31.12 . 2020) |                    |
|-------------------------------|-------------------|----------------------|-----------------------------------------|----------------------|----------------------------------------|--------------------|
|                               | Donor currency    | KShs                 | Donor currency                          | KShs                 | Donor currency                         | KShs               |
|                               | (A)               | (A')                 | (B)                                     | (B')                 | (A)-(B)                                | (A')-(B')          |
| <b>(i) Loan</b>               |                   |                      |                                         |                      |                                        |                    |
| World Bank(IDA)               | 17,470,000        | 1,489,300,000        | 17,470,000                              | 1,489,300,000        | -                                      | -                  |
| <b>(ii) Counterpart funds</b> |                   |                      |                                         |                      |                                        |                    |
| Government of Kenya           | 1,630,000         | 138,941,200          |                                         | 34,441,168           | 1,630,000                              | 104,500,033        |
| <b>Total</b>                  | <b>19,100,000</b> | <b>1,628,241,200</b> | <b>17,470,000</b>                       | <b>1,523,741,168</b> | <b>1,630,000</b>                       | <b>104,500,033</b> |



**1.8 Summary of Overall Project Performance:**

- Budget performance against actual amounts for current year and for cumulative to-date,
- Physical progress based on outputs, outcomes and impacts since project commencement,
- Comment on value-for-money achievements,
- Indicate the absorption rate for each year since the commencement of the project.
- List the implementation challenges and recommended way forward.

**1.9 Summary of Project Compliance:**

- Include significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants,
- Include consequences suffered on account of non-compliance or likely to be suffered
- Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance



## **2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES**

### **Introduction**

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

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

### ***Project Development Objectives (PDO)***

The Project Development Objectives are to: (a) increase the efficiency of road transport along the Northern Corridor and the Tanzania-Kenya-Sudan road corridor; (b) enhance aviation safety and security to meet international standards; and (c) improve the institutional arrangements and capacity in the transport sector.

### ***Project Beneficiaries***

This is a national project with regional dimensions. The improvement of parts of the northern corridor road (in the former Coast province) and of the Kisumu-Kitale road section that links Tanzania-Kenya-Sudan with branches to Uganda and Ethiopia will facilitate trade and regional integration, benefiting a large population in the project area, in Kenya and East Africa. These two road corridors serve high potential, productive and populous areas: in particular, the Tanzania-Kenya-Sudan road corridor serves about 19.8 million people in western Kenya, while the Northern Corridor traverses all parts of Kenya (except for the former North Eastern province), serving about 70 percent of Kenya's population and businesses that contribute about 80 percent of gross domestic product (GDP). The Northern Corridor is also the main transport backbone for East Africa, linking Uganda, Tanzania, Sudan, Rwanda, Burundi and Eastern Democratic Republic of Congo to the port of Mombasa.

The main beneficiaries of the identified road improvements are the road users, including businesses, farmers, and local communities in the project area. Based on the current level of traffic, it is estimated that about 147,000 direct beneficiaries of which 40 percent are female (road users excluding bicycle riders) use these road sections per day, while about one million passengers of which 30 percent are female use MIA annually. The travel time from Kitale to Kisumu is expected to fall by 40 percent and vehicle operating costs is expected to be reduced by 25 percent with the proposed improvements, and the provision of road-side amenities, including bicycle tracks, pedestrian crossings, access roads to markets and public institutions along the selected road sections, and improvement of junctions will enhance road safety. In addition, the rehabilitation of the runway at MIA in Mombasa, which is the main gateway by air to Kenya's Coastal region, will support the vital beach tourism sector in Kenya. Finally, building the capacities of the institutions in the transport sector will enhance the delivery of services to all Kenyans.

**Kenya Transport Sector Support Project (KTSSP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2020**

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**Project Implementation**

There are five implementing agencies for KTSSP: KeNHA, MoR, MoT, KAA and KCAA. About 97 percent of the project was implemented by parastatals (KeNHA, KAA, and KCAA) with independent Boards outside the central government; the remaining three percent by MoR and MoT. The project was mainstreamed into the operations of these institutions and formed an integral part of their investment program.

The tasks under the State Department of Infrastructure are captured unerringly in the sub components extracted from the Project Appraisal Document (PAD) below:

**Sub component B-2: Support to the KRB and MoR (Total US\$8.90 million of which IDA US\$8.54 million).** This will involve:

- (a) Study of the impact of the new constitution on the responsibilities and functioning of KeNHA, KeRRA and KURA and the role of KRB;
- (b) Support to enhance the operational capacities of NCA and ERB;
- (c) Study of the role of MoR and provision of technical assistance to implement its new functions and strengthen the Material Department, Mechanical Transport Department and Kenya Institute of Highways and Buildings Technology (KIHBT) and External Resources Department of the Ministry of Finance;
- (d) Inventory of unclassified roads (typically less than nine meters corridor) and recommendations for their maintenance and management;
- (e) Conducting monitoring and evaluation of the performance of the Project and sector coordination; and
- (f) Training of manpower in KRB, ERD, State Law Office, and MoR

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

| Project                                | Objective                                                                                                                        | Outcome | Indicator | Performance |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------|-----------|-------------|
| Kenya Transport Sector Support Project | Study of the impact of the new constitution on the responsibilities and functioning of KeNHA, KeRRA and KURA and the role of KRB |         |           |             |



**Kenya Transport Sector Support Project (KTSSP)**  
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|  |                                                                                                                                                                                                                                                |  |  |  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
|  | Support to enhance the operational capacities of NCA and ERB                                                                                                                                                                                   |  |  |  |
|  | Study of the role of MoR and provision of technical assistance to implement its new functions and strengthen the Material Department, Mechanical Transport Department and (KIHBT) and External Resources Department of the Ministry of Finance |  |  |  |
|  | Inventory of unclassified roads and recommendations for their maintenance and management                                                                                                                                                       |  |  |  |
|  | Conducting monitoring and evaluation of the performance of the Project and sector coordination; and                                                                                                                                            |  |  |  |
|  | Training of manpower in KRB, ERD, State Law Office, and MoR                                                                                                                                                                                    |  |  |  |
|  |                                                                                                                                                                                                                                                |  |  |  |



# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON KENYA TRANSPORT SECTOR SUPPORT PROJECT (IDA CREDIT NO. 4926-KE AND NO. 5410-KE (COMPONENT B1 SUPPORT TO MINISTRY OF ROADS) FOR THE YEAR ENDED 30 JUNE, 2020 – STATE DEPARTMENT FOR INFRASTRUCTURE**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of Kenya Transport Sector Support Project set out on pages 1 to 28, which comprise of the statement of financial assets as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the statement of comparative budget and actual amounts for the year then ended, special account statement and a summary of significant accounting policies and other explanatory information in accordance with provisions of Article 229 of the Constitution of Kenya, Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Transport Sector Support Project as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement No. 4926-KE dated 23 May, 2011 and as amended through Finance Agreement No. 5410-KE dated 31 March, 2014 between International Development Association and the Republic of Kenya.

In addition, the special account statement present fairly the special accounts transaction and the closing balances 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 Transport Sector Support Project Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing 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.

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*Report of the Auditor-General on Kenya Transport Sector Support Project (IDA Credit No. s 4926-KE and 5410-KE Component B1 Support to Ministry of Roads) for the year ended 30 June, 2020 - State Department for Infrastructure*



## **Other Matter**

### **Slow Release of Counter Part Funding**

Note 1.7 on the funding summary indicates that the Project was to be implemented within a duration of six (6) years from 2011 to 2016, with total funding of Kshs.1,628,241,200 comprising of IDA credit and counterpart funding by the Government of Kenya of Kshs.1,489,300,000 and Kshs.138,941,200 respectively. However, the Counterpart funding has lagged behind with Kshs.34,441,168 or 25% having been received as at 30 June, 2020, leaving a balance of Kshs.104,500,003 or 75% of the commitment. Although, a three (3) year extension period to 2019 was granted and which has also lapsed, the Project is not likely to complete its activities and attain its objectives and expected outcomes.

My opinion is not modified based on the effects of the above matter.

### **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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



## **Basis for Conclusion**

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by International Development Association, except for the matters under Emphasis of matter, I report based on my audit, that: -

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

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

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Project monitors compliance with



relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a



basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

  
**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**30 December, 2020**



**Kenya Transport Sector Support Project (KTSSP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2020**

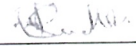
**6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2020**

|                                         | Note | 2019/2020                                      |                                | 2018/2019                                     |                                | Cumulative to-date (From inception) |
|-----------------------------------------|------|------------------------------------------------|--------------------------------|-----------------------------------------------|--------------------------------|-------------------------------------|
|                                         |      | Receipts and payments controlled by the entity | Payments made by third parties | Receipts and payment controlled by the entity | Payments made by third parties |                                     |
|                                         |      | KShs                                           | KShs                           | KShs                                          | KShs                           | KShs                                |
| <b>RECEIPTS</b>                         |      |                                                |                                |                                               |                                |                                     |
| Transfer from Government entities       | 9.3  | 5,299,168                                      |                                | -                                             | -                              | 34,441,168                          |
| Loan from external development partners | 9.5  | -                                              | 182,292,856                    | 110,221,479                                   | -                              | 1,489,300,000                       |
| Miscellaneous receipts                  | 9.6  | -                                              | -                              | -                                             | -                              | 126,000.00                          |
| <b>TOTAL RECEIPTS</b>                   |      | <b>5,299,168</b>                               | <b>182,292,856</b>             | <b>110,221,479</b>                            | <b>-</b>                       | <b>1,523,867,168</b>                |
| <b>PAYMENTS</b>                         |      |                                                |                                |                                               |                                |                                     |
| Compensation of employees               | 9.7  | -                                              | -                              | -                                             | -                              | 51,910,715                          |
| Purchase of goods and services          | 9.8  | 5,615,435                                      | 182,292,856                    | 113,136,222                                   | -                              | 1,437,616,408                       |
| Acquisition of non-financial assets     | 9.10 | -                                              | -                              | -                                             | -                              | 25,727,910                          |
| <b>TOTAL PAYMENTS</b>                   |      | <b>5,615,435</b>                               | <b>182,292,856</b>             | <b>113,136,222</b>                            | <b>-</b>                       | <b>1,523,813,341</b>                |
| <b>SURPLUS/(DEFICIT)</b>                |      | <b>(316,267)</b>                               | <b>-</b>                       | <b>(2,914,743)</b>                            | <b>-</b>                       | <b>53,827</b>                       |

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

  
Principal Secretary  
Prof. Arch. Paul M. Maringa  
(PhD), CBS, Corp.Arch.  
(MAAK), MKIP

  
Project Coordinator  
Eng. J. M. Kung'u

  
Project Accountant  
Elizabeth Adhiambo  
ICPAK Member No:



**Kenya Transport Sector Support Project (KTSSP)**  
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**For the financial year ended June 30, 2020**

**7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2020**

|                                        | Note   | 2019-2020     | 2018-2019        |
|----------------------------------------|--------|---------------|------------------|
|                                        |        | KShs          | KShs             |
| <b>FINANCIAL ASSETS</b>                |        |               |                  |
| <b>Cash and Cash Equivalents</b>       |        |               |                  |
| Bank Balances                          | 9.13.A | 53,827        | 370,094          |
| Cash Balances                          | 9.13.B | -             | -                |
| Cash Equivalents (short-term deposits) | 9.13.C | -             | -                |
| <b>Total Cash and Cash Equivalents</b> |        | <b>53,827</b> | <b>370,094</b>   |
| <b>TOTAL FINANCIAL ASSETS</b>          |        | <b>53,827</b> | <b>370,094</b>   |
| <b>LESS: FINANCIAL LIABILITIES</b>     |        |               |                  |
| Accounts Payable                       | 9.14   | -             | (1,112,429)      |
| <b>NET FINANCIAL ASSETS</b>            |        | <b>53,827</b> | <b>(742,335)</b> |
| <b>REPRESENTED BY</b>                  |        |               |                  |
| Fund balance b/fwd                     | 9.15   | (742,335)     | 2,172,408        |
| Prior year adjustments                 | 9.16   | 1,112,429     | -                |
| Surplus/(Deficit) for the year         |        | (316,267)     | (2,914,743)      |
| <b>NET FINANCIAL POSITION</b>          |        | <b>53,827</b> | <b>(742,335)</b> |

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



Principal Secretary  
 Prof. Arch. Paul M. Maringa  
 (PhD), CBS, Corp. Arch.  
 (MAAK), MKIP  
 Date.....



Project Coordinator  
 Eng. J. M. Kung'u

Date.....



Project Accountant  
 Elizabeth Adhiambo  
 ICPAK Member No:

Date.....

ICPAK Member Number

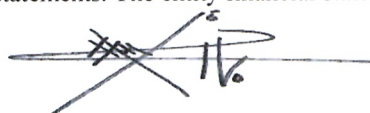


**Kenya Transport Sector Support Project (KTSSP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2020**

**8. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2020**

|                                                                      |      | 2019-2020        | 2018-2019            |
|----------------------------------------------------------------------|------|------------------|----------------------|
|                                                                      | Note | KShs             | KShs                 |
| <b>Receipts from operating activities</b>                            |      |                  |                      |
| Transfer from Government entities                                    | 9.3  | 5,299,168        | -                    |
| Proceeds from domestic and foreign grants                            | 9.4  | -                | -                    |
| Miscellaneous receipts                                               | 9.6  | -                | -                    |
| <b>Payments from operating activities</b>                            |      |                  |                      |
| Compensation of employees                                            | 9.7  | -                | -                    |
| Purchase of goods and services                                       | 9.8  | (5,615,435)      | (113,136,222)        |
| Social security benefits                                             | 8.9  | -                | -                    |
| Transfers to other government entities                               | 9.11 | -                | -                    |
| Other grants and transfers                                           | 9.12 | -                | -                    |
| <b>Adjustments during the year</b>                                   |      |                  |                      |
| Decrease/(Increase) in Accounts receivable:<br>(outstanding imprest) | 9.17 | -                | -                    |
| Increase/(Decrease) in Accounts Payable:<br>(deposits and retention) | 9.18 | -                | -                    |
| Prior Year Adjustments                                               | 9.16 | -                | -                    |
| <b>Net cash flow from operating activities</b>                       |      | <b>(316,267)</b> | <b>(113,136,222)</b> |
|                                                                      |      | -                | -                    |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                            |      |                  |                      |
| Acquisition of Assets                                                | 9.10 | -                | -                    |
| <b>Net cash flows from Investing Activities</b>                      |      | -                | -                    |
|                                                                      |      |                  |                      |
| <b>CASHFLOW FROM BORROWING ACTIVITIES</b>                            |      |                  |                      |
| Proceeds from Foreign Borrowings                                     | 9.5  | -                | 110,221,479          |
| <b>Net cash flow from financing activities</b>                       |      | -                | -                    |
|                                                                      |      |                  |                      |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>                      |      | <b>(316,267)</b> | <b>(2,914,743)</b>   |
| <b>Cash and cash equivalent at BEGINNING of the year</b>             |      | <b>370,094</b>   | <b>3,284,837</b>     |
| <b>Cash and cash equivalent at END of the year</b>                   |      | <b>53,827</b>    | <b>370,094</b>       |

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 \_\_\_\_\_ 2020 and signed by:



Principal Secretary  
 Prof. Arch. Paul M. Maringa  
 (PhD), CBS, Corp.Arch.  
 (MAAK), MKIP  
 Date.....



Project Coordinator  
 Eng. J. M. Kung'u

Date.....



Project Accountant  
 Elizabeth Adhiambo  
 ICPAK Member No:

Date.....



**Kenya Transport Sector Support Project (KTSSP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2020**

**9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

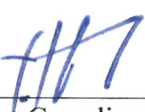
| Receipts/Payments Item                    | Original Budget    | Adjustments         | Final Budget       | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|-------------------------------------------|--------------------|---------------------|--------------------|----------------------------|-------------------------------|------------------|
|                                           | a                  | b                   | c=a+b              | d                          | e=c-d                         | f=d/c %          |
| <b>Receipts</b>                           |                    |                     |                    |                            |                               |                  |
| Transfer from Government entities         | 5,299,168          |                     | 5,299,168          | 5,299,168                  | 0                             | 100              |
| Proceeds from domestic and foreign grants |                    |                     |                    |                            |                               |                  |
| Proceeds from borrowings                  | 300,000,000        | (40,000,000)        | 260,000,000        | 182,292,856                | 77,707,144                    | 70%              |
| Miscellaneous receipts                    |                    |                     |                    |                            |                               |                  |
| <b>Total Receipts</b>                     | <b>305,299,168</b> | <b>(40,000,000)</b> | <b>265,299,168</b> | <b>187,592,024</b>         | <b>77,707,144</b>             | <b>70%</b>       |
| <b>Payments</b>                           |                    |                     |                    |                            |                               |                  |
| Compensation of employees                 |                    |                     |                    |                            |                               |                  |
| Purchase of goods and services            | 305,299,168        | (40,000,00)         | 265,299,168        | 187,908,291                | 77,390,877                    | 70%              |
| Social security benefits                  |                    |                     |                    |                            |                               |                  |
| Acquisition of non-financial assets       |                    |                     |                    |                            |                               |                  |
| Transfers to other government entities    |                    |                     |                    |                            |                               |                  |
| Other grants and transfers                |                    |                     |                    |                            |                               |                  |
| <b>Total Payments</b>                     | <b>305,299,168</b> | <b>(40,000,000)</b> | <b>265,299,168</b> | <b>187,908,291</b>         | <b>77,390,877</b>             | <b>70%</b>       |

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



Principal Secretary  
Prof. Arch. Paul M. Maringa  
(PhD), CBS, Corp. Arch.  
(MAAK), MKIP

Date.....



Project Coordinator  
Eng. J. M. Kung'u

Date.....



Project Accountant  
Elizabeth Adhiambo  
ICPAK Member No:

Date.....  
ICPAK Member No.



## **NOTES TO THE FINANCIAL STATEMENTS**

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

### **9.1. Basis of Preparation**

#### **9.1.1. Statement of compliance and basis of preparation**

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

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

#### **9.1.2. Reporting entity**

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

#### **9.1.3. Reporting currency**

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

### **9.2. Significant Accounting Policies**

#### **a) Recognition of receipts**

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

##### **• Transfers from the Exchequer**

Transfer from Exchequer is 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.

##### **• External Assistance**

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



**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Donations and grants**

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

**Proceeds from borrowing**

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

**Undrawn external assistance**

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

• **Other receipts**

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

**b) Recognition of payments**

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

• **Compensation of employees**

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

• **Use of goods and services**

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

• **Interest on borrowing**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- **Repayment of borrowing (principal amount)**

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

- **Acquisition of fixed assets**

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

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

**c) In-kind donations**

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

**d) Cash and cash equivalents**

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

**Restriction on cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits



## **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **e) Accounts receivable**

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

### **f) Contingent Liabilities**

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 4** 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

### **g) Contingent Assets**

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

### **h) Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from

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

**i) Budget**

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

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

**j) Third party payments**

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

During the year Kshs 182 Million being loan disbursements were received in form of direct payments from third parties.

**k) Exchange rate differences**

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



**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l) Comparative figures**

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

**m) Subsequent events**

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

**n) Errors**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.3. RECEIPTS FROM GOVERNMENT OF KENYA

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

|                                                 | 2019/20          | 2018/19 | Cumulative<br>to-date(from<br>inception) |
|-------------------------------------------------|------------------|---------|------------------------------------------|
|                                                 | KShs             | KShs    |                                          |
| <i>Counterpart funding through Ministry -</i>   |                  |         |                                          |
| Counterpart funds Quarter 1                     | -                | -       | -                                        |
| Counterpart funds Quarter 4                     | 5,299,168        | -       | 34,441,168                               |
|                                                 |                  | =       | =                                        |
| <i>Other transfers from government entities</i> |                  |         |                                          |
|                                                 | -                | -       | -                                        |
|                                                 | -                | -       | -                                        |
|                                                 | -                | -       | -                                        |
|                                                 | -                | -       | -                                        |
|                                                 | =                | =       | -                                        |
| Appropriations-in-Aid                           |                  |         |                                          |
|                                                 |                  |         |                                          |
| Total                                           | <u>5,299,168</u> | =       | <u>34,441,168</u>                        |



**Kenya Transport Sector Support Project (KTSSP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2020**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.4. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

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

| Name of Donor                                                                 | Date received | Amount received in donor currency | Grants received in cash | Grants received as direct payment * | Grants received in kind | Total amount in KShs |         |
|-------------------------------------------------------------------------------|---------------|-----------------------------------|-------------------------|-------------------------------------|-------------------------|----------------------|---------|
|                                                                               |               |                                   |                         |                                     |                         | 2019/20              | 2018/19 |
|                                                                               |               |                                   | KShs                    | KShs                                | KShs                    | KShs                 | KShs    |
| <b>Grants Received from Bilateral Donors (Foreign Governments)</b>            |               |                                   |                         |                                     |                         |                      |         |
| Insert name of foreign Government                                             | -             |                                   |                         |                                     |                         | -                    | -       |
|                                                                               |               |                                   |                         |                                     |                         |                      |         |
| <b>Grants Received from Multilateral Donors (International Organisations)</b> |               |                                   |                         |                                     |                         |                      |         |
| Insert name of international organization                                     | -             |                                   |                         |                                     |                         | -                    | -       |
|                                                                               |               |                                   |                         |                                     |                         |                      |         |
| <b>Grants Received from Local Individuals and organisations</b>               |               |                                   |                         |                                     |                         |                      |         |
| Insert name of individual or local organization                               | -             |                                   |                         |                                     |                         | -                    | -       |
|                                                                               |               |                                   |                         |                                     |                         |                      |         |
| <b>Total</b>                                                                  |               |                                   |                         |                                     |                         | -                    | -       |

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 9.5. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

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

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 KShs | amount in          |
|------------------------------------------------------------------------------|---------------|-------------------------|------------------------|-----------------------------------|------------|--------------------|
|                                                                              |               |                         | KShs                   | KShs                              | 2019/20    | 2018/19            |
| <b>Loans Received from Bilateral Donors (Foreign Governments)</b>            |               |                         |                        |                                   |            |                    |
| Insert name of foreign Government                                            | -             | -                       | -                      | -                                 | -          | -                  |
|                                                                              |               |                         |                        |                                   |            |                    |
| <b>Loans Received from Multilateral Donors (International Organisations)</b> |               |                         |                        |                                   |            |                    |
|                                                                              |               |                         |                        |                                   |            | -                  |
| World Bank (IDA)                                                             |               | -                       | -                      | 182,292,856                       | -          | 5,895,510          |
|                                                                              |               | -                       |                        |                                   |            | 33,379,200         |
|                                                                              |               |                         |                        |                                   |            | 38,487,078         |
|                                                                              |               |                         |                        |                                   |            | 32,459,691         |
| <b>Total</b>                                                                 |               |                         |                        | <b>182,292,856</b>                | <b>-</b>   | <b>110,221,479</b> |

### 9.6. MISCELLANEOUS RECEIPTS

|                                         | 2019/20                                   |                                      |                | 2018/19 | Cumulative to- date |
|-----------------------------------------|-------------------------------------------|--------------------------------------|----------------|---------|---------------------|
|                                         | Receipts controlled by the entity in Cash | Receipts controlled by third parties | Total Receipts |         | (from inception)    |
|                                         | KShs                                      | KShs                                 | KShs           |         |                     |
| Property income                         | -                                         | -                                    | -              | -       | -                   |
| Sales of goods and services             | -                                         | -                                    | -              | -       | -                   |
| Administrative fees and charges         | -                                         | -                                    | -              | -       | -                   |
| Voluntary transfers other than grants   | -                                         | -                                    | -              | -       | -                   |
| Other receipts not classified elsewhere | -                                         | -                                    | -              | -       | -                   |
|                                         | =                                         | =                                    | =              | =       | =                   |



**Kenya Transport Sector Support Project (KTSSP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2020**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.7. COMPENSATION OF EMPLOYEES**

|                                                 | 2019/20                             |                                |                | 2018/19  | Cumulative to- date      |
|-------------------------------------------------|-------------------------------------|--------------------------------|----------------|----------|--------------------------|
|                                                 | Payments made by the Entity in Cash | Payments made by third parties | Total Payments |          |                          |
| -                                               | KShs                                | KShs                           | KShs           | KShs     | KShs                     |
| Basic salaries of permanent employees           | -                                   | -                              | -              | -        | 51,910,715               |
| Basic wages of temporary employees              | -                                   | -                              | -              | -        | -                        |
| Personal allowances paid as part of salary      | -                                   | -                              | -              | -        | -                        |
| Personal allowances paid as reimbursements      | -                                   | -                              | -              | -        | -                        |
| Personal allowances provided in kind            | -                                   | -                              | -              | -        | -                        |
| Pension and other social security contributions | -                                   | -                              | -              | -        | -                        |
| Compulsory national social security schemes     | -                                   | -                              | -              | -        | -                        |
| Compulsory national health insurance schemes    | -                                   | -                              | -              | -        | -                        |
| Social benefit schemes outside government       | -                                   | -                              | -              | -        | -                        |
| Other personnel payments                        | -                                   | -                              | -              | -        | -                        |
| <b>Total</b>                                    | <b>=</b>                            | <b>=</b>                       | <b>=</b>       | <b>=</b> | <b><u>51,910,715</u></b> |

**Kenya Transport Sector Support Project (KTSSP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2020**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.8. PURCHASE OF GOODS AND SERVICES**

|                                                              | 2019/20                             |                                |                 | 2018/19                   | Cumulative to-date          |
|--------------------------------------------------------------|-------------------------------------|--------------------------------|-----------------|---------------------------|-----------------------------|
|                                                              | Payments made by the Entity in Cash | Payments made by third parties | Total Payments  |                           |                             |
|                                                              | KShs                                | KShs                           | KShs            | KShs                      | KShs                        |
| Utilities, supplies and services                             | -                                   | -                              | -               | -                         | -                           |
| Communication, supplies and services                         | -                                   | -                              | -               | -                         | -                           |
| Domestic travel and subsistence                              | -                                   | -                              | -               | -                         | -                           |
| Foreign travel and subsistence                               | -                                   | -                              | -               | -                         | -                           |
| Printing, advertising and – information supplies & services  | -                                   | -                              | -               | -                         | -                           |
| Rentals of produced assets                                   | -                                   | -                              | -               | -                         | -                           |
| Training payments                                            | 4,359,253.50                        | -                              | -               | 55,099,155                | -                           |
| Hospitality supplies and services                            | -                                   | -                              | -               | -                         | -                           |
| Insurance costs                                              | -                                   | -                              | -               | -                         | -                           |
| Specialised materials and services                           | -                                   | 182,292,856                    | -               | -                         | -                           |
| Other operating payments                                     | 1,256,181.00                        | -                              | -               | 58,037,067                | -                           |
| Routine maintenance – vehicles and other transport equipment | -                                   | -                              | -               | -                         | -                           |
| Routine maintenance- – other assets                          | -                                   | -                              | -               | -                         | -                           |
| Exchange rate losses/gains (net)                             | -                                   | -                              | -               | -                         | -                           |
| <b>Total</b>                                                 | <b><u>5,615,434.50</u></b>          | <b><u>182,292,856</u></b>      | <b><u>=</u></b> | <b><u>113,136,222</u></b> | <b><u>1,437,616,408</u></b> |



**Kenya Transport Sector Support Project (KTSSP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2020**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.9. SOCIAL SECURITY BENEFITS**

|                                              | 2019/20                             |                                |                | 2018/19  | Cumulative to- date |
|----------------------------------------------|-------------------------------------|--------------------------------|----------------|----------|---------------------|
|                                              | Payments made by the Entity in Cash | Payments made by third parties | Total Payments |          |                     |
|                                              | KShs                                | KShs                           | KShs           | KShs     | KShs                |
| Government pension and retirement benefits   | -                                   | -                              | -              | -        | -                   |
| Social security benefits in cash and in kind | -                                   | -                              | -              | -        | -                   |
| Employer social benefits in cash and in kind | -                                   | -                              | -              | -        | -                   |
| <b>Total</b>                                 | <b>=</b>                            | <b>=</b>                       | <b>=</b>       | <b>=</b> | <b>=</b>            |

**9.10. ACQUISITION OF NON-FINANCIAL ASSETS**

|                                                             | 2019/20                             |                                |                | 2018/19 | Cumulative to-date |
|-------------------------------------------------------------|-------------------------------------|--------------------------------|----------------|---------|--------------------|
|                                                             | Payments made by the Entity in Cash | Payments made by third parties | Total Payments |         |                    |
|                                                             | KShs                                | KShs                           | KShs           | KShs    | KShs               |
| Purchase of vehicles & other transport equipment            | -                                   | -                              | -              | -       | 25,727,910         |
| Overhaul of vehicles & other transport equipment            | -                                   | -                              | -              | -       |                    |
| Purchase of household furniture & institutional equipment   | -                                   | -                              | -              | -       |                    |
| Purchase of office furniture & general equipment            | -                                   | -                              | -              | -       |                    |
| Purchase of specialised plant, equipment and machinery      | -                                   | -                              | -              | -       |                    |
| Rehabilitation & renovation of plant, equipment & machinery | -                                   | -                              | -              | -       |                    |

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|                                                                    | 2019/20                                      |                                         |                   | 2018/19  | Cumulative<br>to-date    |
|--------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|-------------------|----------|--------------------------|
|                                                                    | Payments<br>made by the<br>Entity in<br>Cash | Payments<br>made by<br>third<br>parties | Total<br>Payments |          |                          |
| Purchase of certified seeds,<br>breeding stock and live animals    | -                                            | -                                       | -                 | -        | -                        |
| Research, studies, project<br>preparation, design &<br>supervision | -                                            | -                                       | -                 | -        | -                        |
| Rehabilitation of civil works                                      | -                                            | -                                       | -                 | -        | -                        |
| Acquisition of strategic stocks                                    | -                                            | -                                       | -                 | -        | -                        |
| Acquisition of land                                                | -                                            | -                                       | -                 | -        | -                        |
| Acquisition of other intangible<br>assets                          | -                                            | -                                       | -                 | -        | -                        |
| <b>Total</b>                                                       | <b>=</b>                                     | <b>=</b>                                | <b>=</b>          | <b>=</b> | <b><u>25,727,910</u></b> |



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.11. TRANSFERS TO OTHER GOVERNMENT ENTITIES**

During the 12 months to 30 June 2020, we transferred funds to reporting government entities as shown below:

|                                                  | 2019/20                             |                                |                | 2018/19  | Cumulative to-date |
|--------------------------------------------------|-------------------------------------|--------------------------------|----------------|----------|--------------------|
|                                                  | Payments made by the Entity in Cash | Payments made by third parties | Total Payments |          |                    |
|                                                  | KShs                                | KShs                           | KShs           | KShs     | KShs               |
| <b>Transfers to National Government entities</b> |                                     |                                |                |          |                    |
|                                                  | -                                   | -                              | -              | -        | -                  |
|                                                  | -                                   | -                              | -              | -        | -                  |
|                                                  | -                                   | -                              | -              | -        | -                  |
| <b>Transfers to County Government</b>            |                                     |                                |                |          |                    |
|                                                  | -                                   | -                              | -              | -        | -                  |
|                                                  | -                                   | -                              | -              | -        | -                  |
|                                                  | -                                   | -                              | -              | -        | -                  |
|                                                  | -                                   | -                              | -              | -        | -                  |
| <b>TOTAL</b>                                     | <b>=</b>                            | <b>=</b>                       | <b>=</b>       | <b>=</b> | <b>=</b>           |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.12. OTHER GRANTS AND TRANSFERS AND PAYMENTS**

|                                                           | 2019/20                                   |                                   |                   | 2018/19  | Cumulative<br>to-date |
|-----------------------------------------------------------|-------------------------------------------|-----------------------------------|-------------------|----------|-----------------------|
|                                                           | Payments made<br>by the Entity in<br>Cash | Payments made<br>by third parties | Total<br>Payments |          |                       |
|                                                           | KShs                                      | KShs                              | KShs              | KShs     | KShs                  |
| Grants for<br>scholarships                                | -                                         | -                                 | -                 | -        | -                     |
| Transfers to lower<br>levels of government<br>e.g schools | -                                         | -                                 | -                 | -        | -                     |
| Miscellaneous<br>payments                                 | -                                         | -                                 | -                 | -        | -                     |
| <b>Total</b>                                              | <b>=</b>                                  | <b>=</b>                          | <b>=</b>          | <b>=</b> | <b>=</b>              |



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.13. CASH AND CASH EQUIVALENTS CARRIED FORWARD**

|                                                     | 2019/20              | 2018/19               |
|-----------------------------------------------------|----------------------|-----------------------|
|                                                     | KShs                 | KShs                  |
| Bank accounts (Note 8.13A)                          | 53,827               | 370,074               |
| Cash in hand (Note 8. 13B)                          | -                    | -                     |
| Cash equivalents (short-term deposits) (Note 8.13C) | -                    | -                     |
| <b>Total</b>                                        | <b><u>53,827</u></b> | <b><u>370,094</u></b> |

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

**9.13 A Bank Account**

|                                            | 2019/20       | 2018/19               |
|--------------------------------------------|---------------|-----------------------|
|                                            | KShs          | KShs                  |
| <b><u>Foreign Currency Accounts</u></b>    |               |                       |
| Central Bank of Kenya [A/c No .....]       | -             | -                     |
| Kenya Commercial Bank [A/c No.....]        | -             | -                     |
| Investment & Mortgage Bank [A/c No.....]   | -             | -                     |
| Others ( <i>specify</i> )                  | -             | -                     |
| <b>Total Foreign Currency balances</b>     | <b>=</b>      | <b>=</b>              |
| <b><u>Local Currency Accounts</u></b>      |               |                       |
| Central Bank of Kenya [A/c No.....]        | -             | -                     |
| Kenya Commercial Bank [A/c No.....]        | -             | -                     |
| Investment and Mortgage Bank [A/c No.....] | 53,827        | 370,074               |
| Others ( <i>specify</i> )                  | -             | -                     |
| <b>Total local currency balances</b>       | <b>=</b>      | <b>=</b>              |
| <b>Total bank account balances</b>         | <b>53,827</b> | <b><u>370,074</u></b> |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Special Deposit Accounts**

The balances in the Project's Special Deposit Account(s) as at 30<sup>th</sup> June 2020 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

**Special Deposit Accounts Movement Schedule**

|                                                                          | 2019/20 | 2018/19 |
|--------------------------------------------------------------------------|---------|---------|
|                                                                          | KShs    | KShs    |
| <b>(i) A/c Name [A/c No.100581671216]</b>                                |         |         |
| Opening balance                                                          | -       | -       |
| Total amount deposited in the account                                    | -       | -       |
| Total amount withdrawn (as per Statement of Receipts & Payments)         | =       | =       |
|                                                                          |         |         |
| <b>Closing balance (as per SDA bank account reconciliation attached)</b> | =       | =       |
|                                                                          |         |         |
| <b>(ii) A/c Name [A/c No.00100581671216]</b>                             |         |         |
| Opening balance (as per the SDA reconciliation)                          | -       | -       |
| Total amount deposited in the account                                    | -       | -       |
| Total amount withdrawn (as per Statement of Receipts & Payments)         | =       | =       |
|                                                                          |         |         |
| <b>Closing balance (as per SDA bank account reconciliation attached)</b> | =       | =       |

The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as *Appendix 20* support these closing balances.

**9.13B Cash In Hand**

|                                    | 2019/20 | 2018/19 |
|------------------------------------|---------|---------|
|                                    | KShs    | KShs    |
| Location 1                         | -       | -       |
| Location 2                         | -       | -       |
| Location 3                         | -       | -       |
| Other locations ( <i>specify</i> ) | -       | -       |
| <b>Total cash balances</b>         | =       | =       |



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**9.13C Cash equivalents (short-term deposits)**

|                                          | 2019/20  | 2018/19  |
|------------------------------------------|----------|----------|
|                                          | KShs     | KShs     |
| Kenya Commercial Bank [A/C No.....]      | -        | -        |
| Co-Operative Bank of Kenya [A/C No.....] | -        | -        |
| Others ( <i>Specify</i> )                | -        | -        |
|                                          |          |          |
| <b>Total</b>                             | <b>=</b> | <b>=</b> |

**9.14. ACCOUNTS PAYABLE**

| Accounts Payable | 2019/20  | 2018/19          |
|------------------|----------|------------------|
|                  | KShs     | KShs             |
| Payable          | -        | 1,112,429        |
| <b>Total</b>     | <b>=</b> | <b>1,112,429</b> |

**9.15. FUND BALANCE BROUGHT FORWARD**

|                                        | 2019/20       | 2018/19          |
|----------------------------------------|---------------|------------------|
|                                        | KShs          | KShs             |
| Bank accounts                          | 53,827        | 370,094          |
| Cash in hand                           | -             | -                |
| Cash equivalents (short-term deposits) | -             | -                |
| Accounts Payable                       |               | (1,112,429)      |
| <b>Total</b>                           | <b>53,827</b> | <b>(742,335)</b> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.16. PRIOR YEAR ADJUSTMENT

|                           | Balance b/f<br>FY 2018/2019<br>as per<br>Financial<br>statements | Adjustments | Adjusted<br>Balance b/f<br>FY 2018/2019 |
|---------------------------|------------------------------------------------------------------|-------------|-----------------------------------------|
| Description of the error  | Kshs                                                             | Kshs        | Kshs                                    |
| Bank account Balances     | -                                                                | -           | -                                       |
| Cash in hand              | -                                                                | -           | -                                       |
| Accounts Payables         | 1,112,429                                                        | 1,112,429   | -                                       |
| Receivables               | -                                                                | -           | -                                       |
| Others ( <i>specify</i> ) | -                                                                | -           | -                                       |
|                           | -                                                                | -           | -                                       |

9.17. CHANGES IN RECEIVABLE

| Description of the error                                | 2019 - 2020 | 2018 - 2019 |
|---------------------------------------------------------|-------------|-------------|
|                                                         | KShs        | KShs        |
| Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A) | -           | -           |
| Imprest issued during the year (B)                      | -           | -           |
| Imprest surrendered during the Year (C)                 | -           | -           |
| Net changes in account receivables D= A+B-C             | -           | -           |

9.18. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

| Description of the error                                   | 2019 - 2020 | 2018 - 2019 |
|------------------------------------------------------------|-------------|-------------|
|                                                            | KShs        | KShs        |
| Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A) | -           | -           |
| Deposit and Retentions held during the year (B)            | -           | -           |
| Deposit and Retentions paid during the Year (C)            | -           | -           |
| Net changes in account receivables D= A+B-C                | -           | -           |



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**10. OTHER IMPORTANT DISCLOSURES**

**10.1 PENDING ACCOUNTS PAYABLE (See Annex 2A)**

|                             | Balance b/f<br>FY 2018/2019 | Additions for<br>the period | Paid during the<br>year | Balance c/f<br>FY 2019/2020 |
|-----------------------------|-----------------------------|-----------------------------|-------------------------|-----------------------------|
| Description                 | Kshs                        | Kshs                        | Kshs                    | Kshs                        |
| Construction of buildings   | -                           | -                           | (-)                     | -                           |
| Construction of civil works | -                           | -                           | (-)                     | -                           |
| Supply of goods             | -                           | -                           | (-)                     | -                           |
| Supply of services          | -                           | 12,397,245                  | (1,239,724.50)          | 8,001,161.40                |
| <b>Total</b>                | -                           | -                           | (-)                     | -                           |

**10.2 PENDING STAFF PAYABLES (See Annex 2B)**

|                       | Balance b/f<br>FY 2018/2019 | Additions for<br>the period | Paid during the<br>year | Balance c/f<br>FY 2019/2020 |
|-----------------------|-----------------------------|-----------------------------|-------------------------|-----------------------------|
| Description           | Kshs                        | Kshs                        | Kshs                    | Kshs                        |
| Senior management     | -                           | -                           | (-)                     | -                           |
| Middle management     | -                           | -                           | (-)                     | -                           |
| Unionisable employees | -                           | -                           | (-)                     | -                           |
| Others                | -                           | -                           | (-)                     | -                           |
| <b>Total</b>          | -                           | -                           | (-)                     | -                           |

**10.3 OTHER PENDING PAYABLES (See Annex 2C)**

|                                             | Balance b/f<br>FY 2018/2019 | Additions for<br>the period | Paid during the<br>year | Balance c/f<br>FY 2019/2020 |
|---------------------------------------------|-----------------------------|-----------------------------|-------------------------|-----------------------------|
| Description                                 | Kshs                        | Kshs                        | Kshs                    | Kshs                        |
| Amounts due to National Government entities | -                           | -                           | (-)                     | -                           |
| Amounts due to County Government entities   | -                           | -                           | (-)                     | -                           |
| Amounts due to third parties                | -                           | -                           | (-)                     | -                           |
| <b>Total</b>                                | -                           | -                           | (-)                     | -                           |

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**OTHER IMPORTANT DISCLOSURES (Continued)**

**10.4 External Assistance**

|                                                                   | <b>FY 2019/2020</b> | <b>FY 2018/2019</b> |
|-------------------------------------------------------------------|---------------------|---------------------|
| <b>Description</b>                                                | <b>Kshs</b>         | <b>Kshs</b>         |
| External assistance received in cash                              | -                   | -                   |
| External assistance received as loans and grants                  |                     | 110,221,479         |
| External assistance received in kind- as payment by third parties | 182,292,856         | -                   |
| <b>Total</b>                                                      | <b>182,292,856</b>  | <b>110,221,479</b>  |

*a) External assistance relating loans and grants*

|                                        | <b>FY 2019/2020</b> | <b>FY 2018/2019</b> |
|----------------------------------------|---------------------|---------------------|
| <b>Description</b>                     | <b>Kshs</b>         | <b>Kshs</b>         |
| External assistance received as loans  | -                   | -                   |
| External assistance received as grants | -                   | -                   |
| <b>Total</b>                           | <b>-</b>            | <b>-</b>            |

*b) Undrawn external assistance*

|                                      | <b>Purpose for which the undrawn external assistance may be used</b> | <b>FY 2019/2020</b> | <b>FY 2018/2019</b> |
|--------------------------------------|----------------------------------------------------------------------|---------------------|---------------------|
| <b>Description</b>                   |                                                                      | <b>Kshs</b>         | <b>Kshs</b>         |
| Undrawn external assistance - loans  |                                                                      | -                   | -                   |
| Undrawn external assistance - grants |                                                                      | -                   | -                   |
| <b>Total</b>                         |                                                                      | <b>-</b>            | <b>-</b>            |

*c. Classes of providers of external assistance*

|                                       | <b>FY 2019/2020</b> | <b>FY 2018/2019</b> |
|---------------------------------------|---------------------|---------------------|
| <b>Description</b>                    | <b>Kshs</b>         | <b>Kshs</b>         |
| Multilateral donors                   | -                   | -                   |
| Bilateral donors                      | -                   | -                   |
| International assistance organization | -                   | -                   |
| NGOs                                  | -                   | -                   |
| National Assistance Organization      | -                   | -                   |
| <b>Total</b>                          | <b>-</b>            | <b>-</b>            |



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**OTHER IMPORTANT DISCLOSURES (Continued)**

*d. Non-monetary external assistance*

|                    | <b>FY 2019/2020</b> | <b>FY 2018/2019</b> |
|--------------------|---------------------|---------------------|
| <b>Description</b> | <b>Kshs</b>         | <b>Kshs</b>         |
| Goods              | -                   | -                   |
| Services           | -                   | -                   |
| <b>Total</b>       | -                   | -                   |

*e Purpose and use of external assistance*

| <b>PAYMENTS MADE BY THIRD PARTIES</b>                    | <b>FY 2019/2020</b> | <b>FY 2018/2019</b> |
|----------------------------------------------------------|---------------------|---------------------|
|                                                          | <b>Kshs</b>         | <b>Kshs</b>         |
| Compensation of Employees                                | -                   | -                   |
| Goods and services                                       | 182,292,856         | -                   |
| Subsidies                                                | -                   | -                   |
| Transfers to Other Government Units                      | -                   | -                   |
| Other grants and transfers                               | -                   | -                   |
| Social Security Benefits                                 | -                   | -                   |
| Acquisition of Assets                                    | -                   | -                   |
| Finance Costs, including Loan Interest                   | -                   | -                   |
| Repayment of principal on Domestic and Foreign borrowing | -                   | -                   |
| Other Payments                                           | -                   | -                   |
| <b>TOTAL</b>                                             | <b>182,292,856</b>  | <b>-</b>            |

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**OTHER IMPORTANT DISCLOSURES (Continued)**

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

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

|                                       | <b>FY 2019/2020</b> | <b>FY 2018/2019</b> |
|---------------------------------------|---------------------|---------------------|
| <b>Description</b>                    | <b>Kshs</b>         | <b>Kshs</b>         |
| National government                   | -                   | -                   |
| Multilateral donors                   | -                   | -                   |
| Bilateral donors                      | -                   | -                   |
| International assistance organization | -                   | -                   |
| NGOs                                  | -                   | -                   |
| National Assistance Organization      | -                   | -                   |
| <b>Total</b>                          | -                   | -                   |



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**11. 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 | Focal person resolve issue and designation) | Point to the (Name | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--------------------------------------------|-----------------------------------|---------------------|---------------------------------------------|--------------------|-----------------------------------|------------------------------------------------------------------|
|                                            |                                   |                     |                                             |                    |                                   |                                                                  |
|                                            |                                   |                     |                                             |                    |                                   |                                                                  |
|                                            |                                   |                     |                                             |                    |                                   |                                                                  |
|                                            |                                   |                     |                                             |                    |                                   |                                                                  |
|                                            |                                   |                     |                                             |                    |                                   |                                                                  |
|                                            |                                   |                     |                                             |                    |                                   |                                                                  |
|                                            |                                   |                     |                                             |                    |                                   |                                                                  |

**Guidance Notes:**

- Use the same reference numbers as contained in the external audit report;
- Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



Principal Secretary  
 Prof. Arch. Paul M. Maringa  
 (PhD), CBS, Corp. Arch.  
 (MAAK), MKIP

Date



Project Coordinator  
 Eng. J. M. Kung'u

Date

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**ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

|                                           | Final Budget       | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization | Comments on Variance |
|-------------------------------------------|--------------------|----------------------------|-------------------------------|------------------|----------------------|
|                                           | a                  | b                          | c=a-b                         | d=b/a %          |                      |
| <b>Receipts</b>                           |                    |                            |                               |                  |                      |
| Transfer from Government entities         | 5,299,168          | 5,299,168                  | 0                             | 100%             |                      |
| Proceeds from domestic and foreign grants | -                  | -                          | -                             | -                |                      |
| Proceeds from borrowings                  | 260,000,000        | 182,292,856                | 77,707,144                    | 70%              |                      |
| Miscellaneous receipts                    | -                  | -                          | -                             | -                |                      |
| <b>Total Receipts</b>                     | <b>265,299,168</b> | <b>187,592,024</b>         | <b>77,707,144</b>             | <b>70%</b>       |                      |
| <b>Payments</b>                           |                    |                            |                               |                  |                      |
| Compensation of employees                 | -                  | -                          | -                             | -                |                      |
| Purchase of goods and services            | 265,299,168        | 187,908,291                | 77,390,877                    | 70%              |                      |
| Social security benefits                  | -                  | -                          | -                             | -                |                      |
| Acquisition of non-financial assets       | -                  | -                          | -                             | -                |                      |
| Transfers to other government entities    | -                  | -                          | -                             | -                |                      |
| Other grants and transfers                | -                  | -                          | -                             | -                |                      |
| <b>Total payments</b>                     | <b>265,299,168</b> | <b>187,908,291</b>         | <b>77,390,877</b>             | <b>70%</b>       |                      |

*Explain all variance below 90% and above 100%*

- (i) *Due to the epidemic during the year 2020, most activities did not take place as budgeted*



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ANNEX 2A - ANALYSIS OF PENDING BILLS

| Supplier of Goods or Services      | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2020 | Outstanding Balance 2019 | Comments |
|------------------------------------|-----------------|-----------------|---------------------|--------------------------|--------------------------|----------|
|                                    | a               | b               | c                   | d=a-c                    |                          |          |
| <b>Construction of buildings</b>   |                 |                 |                     |                          |                          |          |
| 1.                                 |                 |                 |                     |                          |                          |          |
| 2.                                 |                 |                 |                     |                          |                          |          |
| 3.                                 |                 |                 |                     |                          |                          |          |
| <b>Sub-Total</b>                   |                 |                 |                     |                          |                          |          |
| <b>Construction of civil works</b> |                 |                 |                     |                          |                          |          |
| 4.                                 |                 |                 |                     |                          |                          |          |
| 5.                                 |                 |                 |                     |                          |                          |          |
| 6.                                 |                 |                 |                     |                          |                          |          |
| <b>Sub-Total</b>                   |                 |                 |                     |                          |                          |          |
| <b>Supply of goods</b>             |                 |                 |                     |                          |                          |          |
| 7.                                 |                 |                 |                     |                          |                          |          |
| 8.                                 |                 |                 |                     |                          |                          |          |
| 9.                                 |                 |                 |                     |                          |                          |          |
| <b>Sub-Total</b>                   |                 |                 |                     |                          |                          |          |
| <b>Supply of services</b>          |                 |                 |                     |                          |                          |          |
| 10. M/S Teknohub Limited           | 12,397,245      | 17-Mar-19       | 1,239,724.50        | 11,157,520.50            |                          |          |
| 11.                                |                 |                 |                     |                          |                          |          |
| 12.                                |                 |                 |                     |                          |                          |          |
| <b>Sub-Total</b>                   |                 |                 |                     |                          |                          |          |
| <b>Grand Total</b>                 |                 |                 |                     |                          |                          |          |

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ANNEX 2B - ANALYSIS OF PENDING STAFF BILLS

| Name of Staff                           | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2020 | Outstanding Balance 2019 | Comments |
|-----------------------------------------|-----------|-----------------|-------------------------|---------------------|--------------------------|--------------------------|----------|
|                                         |           | a               | b                       | c                   | d=a-c                    |                          |          |
| <b>Permanent Employees - Management</b> |           |                 |                         |                     |                          |                          |          |
| 1.                                      |           |                 |                         |                     |                          |                          |          |
| 2.                                      |           |                 |                         |                     |                          |                          |          |
| 3.                                      |           |                 |                         |                     |                          |                          |          |
| <b>Sub-Total</b>                        |           |                 |                         |                     |                          |                          |          |
| <b>Permanent Employees – Others</b>     |           |                 |                         |                     |                          |                          |          |
| 4.                                      |           |                 |                         |                     |                          |                          |          |
| 5.                                      |           |                 |                         |                     |                          |                          |          |
| 6.                                      |           |                 |                         |                     |                          |                          |          |
| <b>Sub-Total</b>                        |           |                 |                         |                     |                          |                          |          |
| <b>Temporary employees</b>              |           |                 |                         |                     |                          |                          |          |
| 7.                                      |           |                 |                         |                     |                          |                          |          |
| 8.                                      |           |                 |                         |                     |                          |                          |          |
| 9.                                      |           |                 |                         |                     |                          |                          |          |
| <b>Sub-Total</b>                        |           |                 |                         |                     |                          |                          |          |
| <b>Others (specify)</b>                 |           |                 |                         |                     |                          |                          |          |
| 10.                                     |           |                 |                         |                     |                          |                          |          |
| 11.                                     |           |                 |                         |                     |                          |                          |          |
| 12.                                     |           |                 |                         |                     |                          |                          |          |
| <b>Sub-Total</b>                        |           |                 |                         |                     |                          |                          |          |
| <b>Grand Total</b>                      |           |                 |                         |                     |                          |                          |          |



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ANNEX 2C - ANALYSIS OF OTHER PENDING PAYABLES

| Name                                         | Brief Transaction Description | Original Amount | Date Payable Contract ed | Amount Paid To-Date | Outstandin g Balance 2020 | Outstandin g Balance 2020 | Comments |
|----------------------------------------------|-------------------------------|-----------------|--------------------------|---------------------|---------------------------|---------------------------|----------|
|                                              |                               | a               | b                        | c                   | d=a-c                     |                           |          |
| <b>Amounts due to National Govt Entities</b> |                               |                 |                          |                     |                           |                           |          |
| 1.                                           |                               |                 |                          |                     |                           |                           |          |
| 2.                                           |                               |                 |                          |                     |                           |                           |          |
| 3.                                           |                               |                 |                          |                     |                           |                           |          |
| <b>Sub-Total</b>                             |                               |                 |                          |                     |                           |                           |          |
| <b>Amounts due to County Govt Entities</b>   |                               |                 |                          |                     |                           |                           |          |
| 4.                                           |                               |                 |                          |                     |                           |                           |          |
| 5.                                           |                               |                 |                          |                     |                           |                           |          |
| 6.                                           |                               |                 |                          |                     |                           |                           |          |
| <b>Sub-Total</b>                             |                               |                 |                          |                     |                           |                           |          |
| <b>Amounts due to Third Parties</b>          |                               |                 |                          |                     |                           |                           |          |
| 7.                                           |                               |                 |                          |                     |                           |                           |          |
| 8.                                           |                               |                 |                          |                     |                           |                           |          |
| 9.                                           |                               |                 |                          |                     |                           |                           |          |
| <b>Sub-Total</b>                             |                               |                 |                          |                     |                           |                           |          |
| <b>Others (specify)</b>                      |                               |                 |                          |                     |                           |                           |          |
| 10.                                          |                               |                 |                          |                     |                           |                           |          |
| 11.                                          |                               |                 |                          |                     |                           |                           |          |
| 12.                                          |                               |                 |                          |                     |                           |                           |          |
| <b>Sub-Total</b>                             |                               |                 |                          |                     |                           |                           |          |
| <b>Grand Total</b>                           |                               |                 |                          |                     |                           |                           |          |

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

| Asset class                              | Opening Cost<br>(KShs)<br>2020/20 | *Purchases/Additions in the Year<br>(KShs)<br>2020/20 | **Disposals in the Year<br>(KShs)<br>2020/20 | Transfers<br>in/(out)<br>Kshs<br>2020/20 | Closing Cost<br>(KShs)<br>2020 |
|------------------------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------------|------------------------------------------|--------------------------------|
|                                          | (a)                               | (b)                                                   | (c)                                          | (d)                                      | (e)= (a)+ (b)-(c)+(-)d         |
| Land                                     |                                   |                                                       |                                              |                                          |                                |
| Buildings and structures                 |                                   |                                                       |                                              |                                          |                                |
| Transport equipment                      |                                   |                                                       |                                              |                                          |                                |
| Office equipment, furniture and fittings |                                   |                                                       |                                              |                                          |                                |
| ICT Equipment,                           |                                   |                                                       |                                              |                                          |                                |
| Other Machinery and Equipment            |                                   |                                                       |                                              |                                          |                                |
| Heritage and cultural assets             |                                   |                                                       |                                              |                                          |                                |
| Biological assets                        |                                   |                                                       |                                              |                                          |                                |
| Infrastructure assets roads, rails       |                                   |                                                       |                                              |                                          |                                |
| Intangible assets                        |                                   |                                                       |                                              |                                          |                                |
| Work in Progress                         |                                   |                                                       |                                              |                                          |                                |
| <b>Total</b>                             |                                   |                                                       |                                              |                                          |                                |

Notes

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

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



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**ANNEX 4 CONTINGENT LIABILITIES REGISTER**

|    | Nature of contingent liability | Payable to | Currency | Estimated Amount Kshs | Expected date of payment | Remarks |
|----|--------------------------------|------------|----------|-----------------------|--------------------------|---------|
| 1  |                                |            |          |                       |                          |         |
| 2  |                                |            |          |                       |                          |         |
| 3  |                                |            |          |                       |                          |         |
| 4  |                                |            |          |                       |                          |         |
| 5  |                                |            |          |                       |                          |         |
| 6  |                                |            |          |                       |                          |         |
| 7  |                                |            |          |                       |                          |         |
| 8  |                                |            |          |                       |                          |         |
| 9  |                                |            |          |                       |                          |         |
| 10 |                                |            |          |                       |                          |         |
| 11 |                                |            |          |                       |                          |         |
| 12 |                                |            |          |                       |                          |         |
|    |                                |            |          |                       |                          |         |

**APPENDICES**

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations
- iii. Cash Count Certificate
- iv. Special Deposit Account(s) reconciliation statement(s)