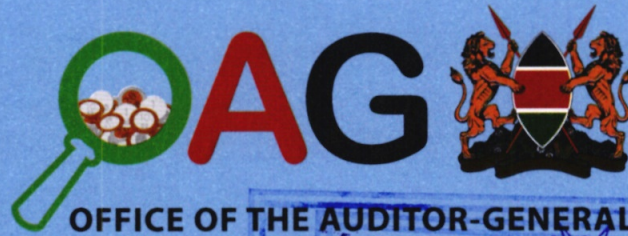


REPUBLIC OF KENYA



*Enhancing Accountability*

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OF

**THE AUDITOR-GENERAL**

**ON**

**EAST AFRICA TRADE AND TRANSPORT  
FACILITATION PROJECT  
(IDA CREDIT NO.4148-KE)**

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

**KENYA NATIONAL  
HIGHWAYS AUTHORITY**



**MINISTRY OF ROADS AND TRANSPORT**



**PROJECT NAME: EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT**

**IMPLEMENTING ENTITY: KENYA NATIONAL HIGHWAYS AUTHORITY**

**PROJECT GRANT/CREDIT NUMBER: LOAN ID 4148-KE**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

***EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

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***EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

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| <b>Table Contents</b>   | <b>Page</b> |
|---|-------------|
| 1. Acronyms and Definition of Terms .....   | ii          |
| 2. Project Information and Overall Performance .....  | iii         |
| 3. Statement of Performance against Project’s Predetermined Objectives.....   | viii        |
| 4. Environmental and Sustainability reporting.....  | ix          |
| 5. Statement of Project Management Responsibilities .....   | xi          |
| 6. Report of the Independent Auditor on Financial Statements for the East African Trade & Transport<br>Facilitation Project ..... | xii         |
| 7. Statement of Receipts and Payments for the Year Ended 30th June 2024 .....   | 1           |
| 8. Statement of Financial Assets and Liabilities as at 30th June 2024.....  | 2           |
| 9. Statement of Cash flows for the year ended 30 <sup>th</sup> June 2024 .....  | 3           |
| 10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 <sup>th</sup> June 2024 .....                      | 4           |
| 11. Significant Accounting Policies .....   | 5           |
| 12. Notes to the Financial Statements .....   | 12          |
| 13. Annexes .....   | 16          |

**1. Acronyms and Definition of Terms**

|        |  |
|--------|--|
| CBK    | Central Bank of Kenya                                |
| CPA    | Certified Public Accountant                          |
| EATTFP | East Africa Trade and Transport Facilitation Project |
| FY     | Financial Year                                       |
| GK     | Government of Kenya                                  |
| ICPAK  | Institute of Certified Public Accountants of Kenya   |
| IDA    | International Development Association                |
| IPSAS  | International Public Sector Accounting Standards     |
| KeNHA  | Kenya National Highways Authority                    |
| Kshs.  | Kenya Shillings                                      |
| MRT    | Ministry of Roads and Transport                      |
| PAP    | Project Affected Persons                             |
| PFM    | Public Finance Management.                           |
| PSASB  | Public Sector Accounting Standards Board             |
| TMEA   | Trade Mark East Africa                               |
| USD    | United States Dollar                                 |
| SDG    | Sustainable Development Goals                        |
| TNT    | National Treasury                                    |
| UA     | Unit of Account                                      |

***EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

**2. Project Information and Overall Performance**

**2.1 Name and registered office**

|              |  |
|--------------|--|
| Project Name | East Africa Trade & Transport Facilitation Project |
|--------------|--|

|                    |   |
|--------------------|---|
| Project Objectives | <ul style="list-style-type: none"> <li>• (a) Improve trade environment through the effective implementation of the East Africa, Community customs Union Protocol;</li> <li>• (b) Enhance transport and logistics services efficiency along key corridors by reducing tariff barriers and uncertainty of transit time; and</li> <li>• (c) Improve railway services in Kenya and Uganda.</li> </ul> |
|--------------------|---|

|  |   |
|--|---|
| Project Registered Office and Physical Location: | The project headquarters offices were at Barabara Plaza, Jomo Kenyatta International Airport, Nairobi, Off Mazao Road |
|--|---|

|                 |                                 |
|-----------------|---------------------------------|
| Project Address | P.O. Box 49712-00100<br>Nairobi |
|-----------------|---------------------------------|

|           |   |
|-----------|---|
| Contacts: | Telephone: 020-8013842; Email dg@kenha.co.ke; Website www.kenha.co.ke |
|-----------|---|

**2.2 Project Information**

|                     |   |
|---------------------|---|
| Project Start Date: | The project start date was 4th April, 2006                                      |
| Project End Date:   | The project end date was 30th September, 2015                                   |
| Project Management: | Eng. Henry Gakuru – Director, Development<br>Eng. Paul Omondi – Project Manager |
| Project Sponsor:    | The project sponsor was IDA, TMEA and Government of Kenya                       |

**2.3 Project overview**

|   |   |
|---|---|
| Line Ministry/State Department of the project | The project was under the supervision of the State Department of Roads under the Ministry of Roads and Transport  |
| Project number                                | CREDIT NO.4148 KE   |
| Strategic goals of the project                | <ol style="list-style-type: none"> <li>1. Improve trade environment through the effective implementation of the East Africa, Community customs Union Protocol;</li> <li>2. Enhance transport and logistics services efficiency along key corridors by reducing non-tariff barriers and uncertainty of transit time</li> </ol> |

***EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

**Project Information and Overall Performance (Continued)**

|  |   |                             |                               |
|--|---|-----------------------------|-------------------------------|
| Summary of Project Strategies for achievement of strategic goals | The project management aimed to achieve the goals by supporting:  |                             |                               |
|  | <ol style="list-style-type: none"> <li>1. The general trade environment through the effective implementation of the customs union and the related free market;</li> <li>2. Actions for improving the efficiency of supply chains in and out of the region, along the main trade routes, from the main gateways (ports) to the main business centres, and along the way (including border crossings, load control, etc.); and</li> </ol> |                             |                               |
| Areas that the project was formed to intervene                   | The Project was made up of the following components:  |                             |                               |
|  | <ol style="list-style-type: none"> <li>1. Modernization and establishment of One-Stop Border posts at key border posts on important trade routes namely, Malaba, Busia, Isebania, Taveta and Lunga Lunga;</li> <li>2. Construction of modern weighbridges at Mariakani and Athi river on the Northern Corridor and;</li> <li>3. Implementation of a common Axle Load Control policy covering participating states.</li> </ol>           |                             |                               |
|  |   |                             |                               |
| Project duration   | <b>The project start and end dates are as shown in below:</b>   |                             |                               |
|  | <b>Project</b>  | <b>Start Date</b>           | <b>End Date</b>               |
|  | Civil Works:- Improved of Border Post Building and Facilities   |                             |                               |
|  | Malaba  | 4 <sup>th</sup> July 2012   | 25 <sup>th</sup> April 2014   |
|  | Busia   | 4 <sup>th</sup> July 2012   | 30 <sup>th</sup> May 2014     |
|  | Taveta  | 4 <sup>th</sup> July 2012   | 31 <sup>st</sup> March 2014   |
|  | Lunga Lunga   | 5 <sup>th</sup> July 2012   | 31 <sup>st</sup> January 2014 |
|  | Isebania  | 5 <sup>th</sup> July 2012   | 31 <sup>st</sup> March 2014   |
|  | Procurement of Fixed Weighbridges   |                             |                               |
|  | Mariakani   | 1 <sup>st</sup> July, 2015  | 30 <sup>th</sup> April,2016   |
| Athi River   | 1 <sup>st</sup> June 2015   | 30 <sup>th</sup> April,2016 |                               |

**2.4 Bankers**

The following are the bankers of the project:

Co-operative Bank of Kenya Ltd  
 Upper Hill Branch, Nairobi  
 Account Number: '01141160979900

National Bank of Kenya Ltd  
 Hill Park Branch, Nairobi  
 Account Number: 0100132733200

**2.5 Independent Auditor**

The project is audited by:

Auditor General  
 Office of the Auditor - General  
 Nairobi

**Project Information and Overall Performance (Continued)**

**2.6 Roles and Responsibilities**

| <b>Names</b>      | <b>Title designation</b>                    | <b>Key qualification</b>     | <b>Responsibilities</b>                  |
|-------------------|---|------------------------------|--|
| Eng. Henry Gakuru | Director, Development                       | Registered Engineer          | Project Implementing Team Leader - KeNHA |
| Eng. Paul Omondi  | Deputy Director, Roads                      | Registered Engineer          | Project Manager (EATTFP) - KeNHA         |
| Mr. Chanje Kera   | Deputy Director, Finance & Accounts         | Registered Public Accountant | Project Financial Management specialist  |
| Arch. C. Maweu    | Project Manager Ministry of Public Works    | Registered Architect         | Project Manager                          |
| Arch. L. Kibisu   | D/Project Manager –Ministry of Public Works | Registered Architect         | Deputy Project Manager                   |
| Arch. S.M. Mwilu  | Project Architect                           | Registered Architect         | Project Architect                        |
| Eng. S.M. Kasanga | Project Electrical Engineer                 | Registered Engineer          | Project Electrical Engineer              |
| Eng. R.D. Mwega   | Project Civil Engineer                      | Registered Engineer          | Project Civil Engineer                   |

**2.7 Funding summary**

The Project was for a duration of nine and half years from 2006 to 2015 with an approved budget of Kshs 977,850,059 by Trademark East Africa (TMEA) and USD 22,084,735 equivalent to Kshs 1,668,501,725 by International Development Association (IDA) as highlighted in the table below:

**EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**Project Information and Overall Performance (Continued)**

Below is the funding Summary: -

**A. Source of Funds**

| Source of funds                             | Donor Commitment-     |                      | Amount received to 30th June 2024 |                      | Undrawn balance to 30th June 2024 |             |
|---|-----------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|-------------|
|   | <i>Donor currency</i> | <i>Kshs</i>          | <i>Donor currency</i>             | <i>Kshs</i>          | <i>Donor currency</i>             | <i>Kshs</i> |
|   | (A)                   | (A')                 | (B)                               | (B')                 | (A)-(B)                           | (A')-(B')   |
| <b>(i) Grant</b>                            | <i>Kshs</i>           | <i>Kshs</i>          | <b>KSHS</b>                       | <i>Kshs</i>          | <i>Kshs</i>                       | <i>Kshs</i> |
| Trade Mark East Africa (TMEA)               | 977,850,059           | 977,850,059          | 977,850,059                       | 977,850,059          | -                                 | -           |
| <b>(ii) Loan</b>                            | <b>USD</b>            | <i>Kshs</i>          | <b>USD</b>                        | <i>Kshs</i>          | <b>USD</b>                        | <i>Kshs</i> |
| International Development Association - IDA | 22,084,735            | 1,668,501,725        | 22,084,735                        | 1,668,501,725        | -                                 | -           |
| <b>(iii) Counterpart funds</b>              |                       |                      |                                   |                      |                                   |             |
| Government of Kenya                         | <i>Kshs</i>           | <i>Kshs</i>          | <i>Kshs</i>                       | <i>Kshs</i>          | <i>Kshs</i>                       | <i>Kshs</i> |
|   | 2,116,367,701         | 2,116,367,701        | 2,116,367,701                     | 2,116,367,701        | -                                 | -           |
| <b>Total</b>                                |                       | <b>4,762,719,485</b> |                                   | <b>4,762,719,485</b> | -                                 | -           |

**B. Application of Funds**

| Application of funds                        | Amount received to 30th June 2024 |                      | Cumulative Amount paid to 30th June 2024 |                      | Unutilised balance to 30th June 2024 |                   |
|---|-----------------------------------|----------------------|--|----------------------|--------------------------------------|-------------------|
|   | <i>Donor currency</i>             | <i>Kshs</i>          | <i>Donor currency</i>                    | <i>Kshs</i>          | <i>Donor currency</i>                | <i>Kshs</i>       |
|   | (A)                               | (A')                 | (B)                                      | (B')                 | (A)-(B)                              | (A')-(B')         |
| <b>(i) Grant</b>                            | <i>Kshs</i>                       | <i>Kshs</i>          | <i>Kshs</i>                              | <i>Kshs</i>          | <i>Kshs</i>                          | <i>Kshs</i>       |
| Trade Mark East Africa (TMEA)               | 977,850,059                       | 977,850,059          | 977,850,059                              | 977,850,059          | -                                    | -                 |
| <b>(ii) Loan</b>                            | <b>USD</b>                        | <i>Kshs</i>          | <b>USD</b>                               | <i>Kshs</i>          | <b>USD</b>                           | <i>Kshs</i>       |
| International Development Association - IDA | 22,084,735                        | 1,668,501,725        | 22,084,735                               | 1,668,501,725        | -                                    | -                 |
| <b>(iii) Counterpart funds</b>              | <i>Kshs</i>                       | <i>Kshs</i>          | <i>Kshs</i>                              | <i>Kshs</i>          | <i>Kshs</i>                          | <i>Kshs</i>       |
| Government of Kenya                         | 2,116,367,701                     | 2,116,367,701        | 2,086,503,479                            | 2,086,503,479        | 29,864,222                           | 29,864,222        |
| <b>Total</b>                                |                                   | <b>4,762,719,485</b> |  | <b>4,732,855,263</b> | -                                    | <b>29,864,222</b> |

**EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**Project Information and Overall Performance (Continued)**

**2.8 Summary of Overall Project Performance:**

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

|  | 2023/2024         |                   |             | Cumulative           |                       |            |
|--|-------------------|-------------------|-------------|----------------------|-----------------------|------------|
|  | Actual*           | Budget            | %           | Actual               | Budget                | %          |
| Counterpart Funds – GK                           | 32,148,527        | 15,540,627        | 207%*       | 2,086,503,480        | 2,325,913,960         | 90%        |
| Disbursements from External Development Partners | -                 | -                 | -           | 2,646,351,784        | 11,768,900,000        | 22%        |
| <b>TOTAL</b>                                     | <b>32,148,527</b> | <b>15,540,627</b> | <b>207%</b> | <b>4,732,855,264</b> | <b>14,094,813,960</b> | <b>34%</b> |

\*Payments incurred using opening fund balances brought forward from prior financial year.

(ii) Physical progress based on outputs, outcome and impacts since project commencement. The project was Completed and taken over by the employer in FY 2021/2022

(iii) Absorption rate for each year since the commencement of the project

| Financial Year     | Budget                | Actual               | Percentage % |
|--------------------|-----------------------|----------------------|--------------|
| FY 2023/24         | 15,540,627            | 32,148,527           | 207%*        |
| FY 2022/23         | 50,000,000            | 21,569,268           | 43%          |
| FY 2021/22         | 316,900,000           | 13,337,124           | 4%           |
| FY 2020/21         | 7,000,000             | 6,392,247            | 91%          |
| FY 2019/20         | 147,372,813           | 114,021,315          | 77%          |
| FY 2018/19         | 155,000,000           | 96,750,330           | 62%          |
| FY 2017/18         | 110,350,188           | 68,834,103           | 62%          |
| FY 2016/17         | 853,356,677           | 687,382,535          | 81%          |
| FY 2015/16         | 1,472,367,686         | 1,235,488,640        | 84%          |
| FY 2014/15         | 2,830,000,000         | 883,767,004          | 31%          |
| FY 2013/14         | 4,090,925,969         | 623,968,188          | 15%          |
| FY 2012/13         | 2,447,000,000         | 834,747,585          | 34%          |
| FY 2011/12         | 797,000,000           | 67,791,474           | 9%           |
| FY 2010/11         | 380,000,000           | 21,569,048           | 6%           |
| FY 2009/10         | 400,000,000           | 3,637,599            | 1%           |
| FY 2008/09 & Prior | 22,000,000            | 21,450,277           | 98%          |
| <b>Total</b>       | <b>14,094,813,960</b> | <b>4,732,855,264</b> | <b>34%</b>   |

\*Payments incurred using opening fund balances brought forward from prior financial year.

(iv) Project Implementation Challenges

During the implementation phase of the project, the project experienced the challenge of inadequate funding arising from low GK counterpart budgetary provisions for timely settlement of the GK counterpart project costs. It is recommended that the Government provides adequate budgetary provisions for all projects in order to facilitate smooth projects implementation.

**2.9 Summary of Project Compliance:**

There were no reported cases of significant non-compliance with applicable laws and regulations, and essential external financing agreements/covenants during the project implementation period.

**3. Statement of Performance against Project’s Predetermined Objectives**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that the Accounting Officer include a statement of the national government entity’s performance against predetermined objectives at the end of each financial year. The key development objectives of the project’s agreement were to:

- a) Improve trade environment through the effective implementation of the East Africa, Community customs Union Protocol;

**Progress on attainment of strategic development objectives**

To implement and cascade 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:

| <b>Objective</b>   | <b>Outcome</b>  | <b>Indicator</b>           | <b>Performance</b>   |
|--|---|----------------------------|--|
| Improve trade environment through the effective implementation of the East Africa, Community customs Union Protocol; | Improve trade environment through the effective implementation of the East Africa, Community customs Union Protocol;      | Improved Trade environment | The completion of OSBPs and Axle Load Control stations has facilitated efficient transit of goods                  |
|  | Enhanced transport and logistics services along key corridors by reducing tariff barriers and uncertainty of transit time | Transit time               | The completion of OSBPs and Axle Load Control stations has significantly reduced transit time and reduced barriers |

#### **4. Environmental and Sustainability reporting**

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

##### **i) Sustainability strategy and profile**

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

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

##### **ii) Environmental performance**

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

**Environmental and Sustainability reporting (Continued)**

**iii) Employee welfare**

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

**iv) Market place practices**

The Authority strives to ensure responsible competition practices through undertaking annual governance audits in projects, monitoring the implementation of policies and further promotes ethical conduct in projects. The Authority equally sensitizes staff on corruption and integrity.

The Authority undertakes to be actively involved in the negotiations during budget sector hearings in order to increase budgetary allocations for projects thus honouring contracts by paying its liabilities on time.

**v) Community Engagements**

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

The Contractor has been involved in various CSR activities geared towards providing social amenities to the local residents through drilling of boreholes and construction of water kiosks along the project road, improvement of access roads and enhancing learning and playing environment in schools along the project road. To enhance social safeguards in projects, the Authority undertakes Resettlement Action Plan (RAP) studies and implements its recommendations, carries out Social Impact Assessments (SIA), undertakes gender mainstreaming and conduct stakeholders' forum to sensitize the public in several cross-cutting issues.

**5. Statement of Project Management Responsibilities**

The Director General, KeNHA and the Project Implementing Team Leader are responsible for the preparation and presentation of the Project’s financial statements, which give a true and fair view of the state of affairs of the project for the financial year ended on June 30, 2024.

This responsibility includes (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the project; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.


The Director General, KeNHA and the Project Implementing Team Leader accept responsibility for the project’s financial Statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with the International Public Sector Accounting Standards.

The Director General, KeNHA and the Project Implementing Team Leader are of the opinion that the Project financial statements give a true and fair view of the state of the Project’s transactions during the financial year ended June, 30, 2024 and the Project’s financial position as at that date. The Director General, KeNHA and the Project Implementing Team Leader further confirm that completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial Statements and the adequacy of the systems of internal financial control.


The Director General, KeNHA and the Project Implementing Team Leader confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants and that Project funds received during the financial year under audit are used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Project financial statements**

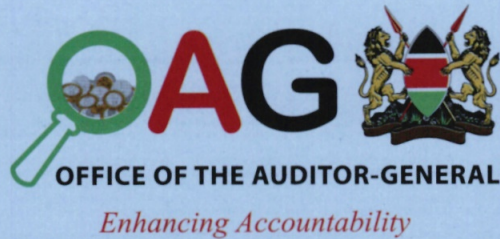
The Project financial statements were approved by the Director General, KeNHA and the Project Implementing Team Leader on .....<sup>19 JUL 2024</sup>.....and signed by:

  
\_\_\_\_\_  
**Eng. Kungu Ndungu, MBS**  
**Director General**

  
\_\_\_\_\_  
**Eng. Henry Gakuru**  
**Director, Development**

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

# REPUBLIC OF KENYA



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Email: 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 EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (IDA CREDIT NO.4148-KE) FOR THE YEAR ENDED 30 JUNE, 2024 – KENYA NATIONAL HIGHWAYS AUTHORITY**

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### **PREAMBLE**

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

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

#### **Opinion**

I have audited the accompanying financial statements of East Africa Trade and Transport Facilitation Project set out on pages 1 to 23, which comprise the statement of financial

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*Report of the Auditor-General on East Africa Trade and Transport Facilitation (IDA Credit No.4148-KE) for the year ended 30 June, 2024 – Kenya National Highways Authority*

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of East Africa Trade and Transport Facilitation Project as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Financing Agreement No.4148-KE dated 05 April, 2006 between the Republic of Kenya and the International Development Association (IDA).

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

### **Basis for Opinion**

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

### **Emphasis of Matter**

#### **1. Long Outstanding Unpaid Retentions**

Note 9 to the financial statements reflects third-party retention balance of Kshs.21,012,749. The unpaid retentions arose due to the failure by the contractors to submit the retention Interim Payment Certificates (IPCs) to facilitate the release of the retention money as provided in the contract agreements. However, Management did not explain how it intends to facilitate the payment of the long outstanding retention money some dating back to 2015. The Project is already closed and is at risk of incurring additional costs in form of interest and penalties for failure to settle Project-related costs.

#### **2. Long Outstanding Pending Bills**

Note 12 on other important disclosures and Annex 4 to the financial statements reflects long outstanding pending accounts payables balance of Kshs.51,888,621. The Project was completed and handed over to the employer on 24 February, 2017. However, Project records revealed unutilized amount of Kshs.29,864,222 as at 30 June, 2024 against outstanding pending bills of Kshs.51,888,621. Management did not provide details of the

measures put in to settle the pending bills. The Project is at risk of incurring additional cost in form of interest and penalties for failure to settle Project costs as and when they fall due.

### **3. Lack of Project Closure Report**

Paragraph 2.2 on Project Information in the financial statements indicates that the Project start date was 4 April, 2006 and Project end date was 30 September, 2019.

Further, Paragraph 2.7 on Funding Summary indicates that the Project had an approved budget of USD 22,084,735 equivalent of Kshs.977,850,059 to be financed by Trademark East Africa and Kshs.1,668,501,725 to be financed by International Development Association (IDA) while an amount of Kshs.2,116,367,701 was to be financed as counterpart fundings by the Government of Kenya.

In addition, Paragraph 2.8(ii) on Summary of Overall Project Performance on physical progress based on outputs, outcomes and impacts showed that the Project was completed and taken over by the employer in the financial year 2021/2022. However, the Project closure report was not provided for audit. Management did not provide an explanation for the failure to close the Project, over three (3) years after the completion date.

My opinion is not modified in respect of these matters.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Although Management had indicated the issues as resolved as at 30 June, 2024, no evidence was provided to support the position.

### **Other Information**

### **Conclusion**

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

## **Basis for Conclusion**

In connection with my audit on the Project's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Interest on Delayed Payments**

The statement of receipts and payments and Note 6 to the financial statements reflects acquisition of non-financial assets balance of Kshs.32,148,527. Included in the balance was Kshs.18,978,908 which was paid as interest on late payment for Interim Payment Certificate (IPC) No. 11A and IPC No.12 issued on 18 September, 2019 an amount that could otherwise been avoided.

In the circumstances, the value for money on the interest on delayed payments could not be confirmed.

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, 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 the ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

As required by the International Development Agency (IDA), 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 controls, risk management and overall governance.

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

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

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

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

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


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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**


**12 November, 2024**

**EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

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

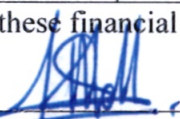
|   |      | Receipts and payments controlled by the entity | Payments made by third parties | Total               | Receipts and payments controlled by the entity | Payments made by third parties | Total             | Cumulative to date (From Inception) |
|---|------|--|--------------------------------|---------------------|--|--------------------------------|-------------------|-------------------------------------|
|   | Note | FY 2023/24                                     |                                |                     | FY 2022/23                                     |                                |                   | Kshs                                |
|   |      | Kshs   | Kshs                           | Kshs                | Kshs   | Kshs                           | Kshs              | Kshs                                |
| <b>RECEIPTS</b>                           |      |  |                                |                     |  |                                |                   |                                     |
| Transfer from Government entities         | 1    | -  | -                              | -                   | 50,000,000                                     | -                              | 50,000,000        | 2,044,121,652                       |
| Proceeds from domestic and foreign grants | 2    | -  | -                              | -                   | -  | -                              | -                 | 977,850,059                         |
| Loan from external development partners   | 3    | -  | -                              | -                   | -  | -                              | -                 | 1,668,501,725                       |
| Miscellaneous receipts                    | 4    | -  | -                              | -                   | 432,351  | -                              | 432,351           | 72,246,049                          |
| <b>TOTAL RECEIPTS</b>                     |      | -  | -                              | -                   | <b>50,432,351</b>                              | -                              | <b>50,432,351</b> | <b>4,762,719,485</b>                |
| <b>PAYMENTS</b>                           |      |  |                                |                     |  |                                |                   |                                     |
| Purchase of goods and services            | 5    | -  | -                              | -                   | -  | -                              | -                 | 59,923,477                          |
| Acquisition of non-financial assets       | 6    | 32,148,527                                     | -                              | 32,148,527          | 9,000,000                                      | -                              | 9,000,000         | 4,651,501,705                       |
| Miscellaneous Expenditure                 | 7    | -  | -                              | -                   | 12,569,269                                     | -                              | 12,569,269        | 21,430,081                          |
| <b>TOTAL PAYMENTS</b>                     |      | <b>32,148,527</b>                              | -                              | <b>32,148,527</b>   | <b>21,569,269</b>                              | -                              | <b>21,569,269</b> | <b>4,732,855,263</b>                |
| <b>SURPLUS (DEFICIT)</b>                  |      | <b>(32,148,527)</b>                            | -                              | <b>(32,148,527)</b> | <b>28,863,082</b>                              | -                              | <b>28,863,082</b> | <b>29,864,222</b>                   |

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

  
**Eng. Kungu Ndungu, MBS**  
**Director General**

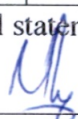
19 JUL 2024

Date

  
**Eng. Henry Gakuru**  
**Director, Development**

19 JUL 2024

Date

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

19 JUL 2024


Date


**EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**


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

|  | Note | 2024<br>Kshs      | 2023<br>Kshs      |
|--|------|-------------------|-------------------|
| <b>Financial Assets</b>                |      |                   |                   |
| Cash and Cash Equivalents              | 8    | 29,864,222        | 62,012,749        |
| <b>Total Financial Assets (A)</b>      |      | <b>29,864,222</b> | <b>62,012,749</b> |
| <b>Financial Liabilities</b>           |      |                   |                   |
| Third Party Retention                  | 9    | 21,012,749        | 21,012,749        |
| <b>Total Financial Liabilities (B)</b> |      | <b>21,012,749</b> | <b>21,012,749</b> |
| <b>Net Financial Assets (A-B)</b>      |      | <b>8,851,473</b>  | <b>41,000,000</b> |
| Represented By:                        |      |                   |                   |
| Fund balance b/fwd                     | 11   | 41,000,000        | 12,136,917        |
| Surplus (Deficit) for the year         |      | (32,148,527)      | 28,863,083        |
| <b>Net Financial Assets</b>            |      | <b>8,851,473</b>  | <b>41,000,000</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 19 JUL 2024 and signed by:

  
**Eng. Kungu Ndungu, MBS**  
**Director General**

  
**Eng. Henry Gakuru**  
**Director, Development**

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

**EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**9. Statement of Cash flows for the year ended 30<sup>th</sup> June 2024**

|  | Note | 2024<br>Kshs        | 2023<br>Kshs        |
|--|------|---------------------|---------------------|
| <b>Cashflow from operating activities</b>          |      |                     |                     |
| <b>Receipts</b>                                    |      |                     |                     |
| Transfer from Government entities                  | 1    | -                   | 50,000,000          |
| Miscellaneous receipts                             | 4    | -                   | 432,351             |
| <b>Total Receipts</b>                              |      | -                   | <b>50,432,351</b>   |
| <b>Payments</b>                                    |      |                     |                     |
| Purchase of goods and services                     | 5    | -                   | -                   |
| Miscellaneous Expenditure                          | 7    | -                   | (12,569,268)        |
| <b>Total Payments</b>                              |      | -                   | <b>(12,569,268)</b> |
| <b>Net cash flow from operating activities</b>     |      | -                   | <b>37,863,083</b>   |
| <b>Cashflow From Investing Activities</b>          |      |                     |                     |
| Acquisition of Non Financial Assets                | 6    | (32,148,527)        | (9,000,000)         |
| <b>Net cash flows from Investing Activities</b>    |      | <b>(32,148,527)</b> | <b>(9,000,000)</b>  |
| <b>Cashflow from Financing Activities</b>          |      |                     |                     |
| Proceeds from Foreign Borrowings                   |      | -                   | -                   |
| <b>Net cash flow from financing activities</b>     |      | -                   | -                   |
| Net Increase in cash and cash equivalent           |      | (32,148,527)        | 28,863,083          |
| Cash & cash equivalent at beginning of the year    |      | 62,012,749          | 33,149,666          |
| <b>Cash and cash equivalent at end of the year</b> |      | <b>29,864,222</b>   | <b>62,012,749</b>   |

***EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

**10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30<sup>th</sup> June 2024**

| Receipts/Payments Item                    | Original Budget   | Adjustments         | Final Budget      | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|---|-------------------|---------------------|-------------------|----------------------------|-------------------------------|------------------|
|   | a                 | b                   | c=a+b             | d                          | e=c-d                         | f=d/c %          |
| <b>Receipts</b>                           |                   |                     |                   |                            |                               |                  |
|   | Kshs              | Kshs                | Kshs              | Kshs                       | Kshs                          | Kshs             |
| Transfer from Government entities         | 30,903,436        | (15,362,809)        | 15,540,627        | -                          | 15,540,627                    | -                |
| Proceeds from domestic and foreign grants | -                 | -                   | -                 | -                          | -                             | -                |
| Miscellaneous receipts                    | -                 | -                   | -                 | -                          | -                             | -                |
| <b>Total Receipts</b>                     | <b>30,903,436</b> | <b>(15,362,809)</b> | <b>15,540,627</b> | <b>-</b>                   | <b>15,540,627</b>             | <b>-</b>         |
| <b>Payments</b>                           |                   |                     |                   |                            |                               |                  |
| Purchase of goods and services            | -                 | -                   | -                 | -                          | -                             | -                |
| Acquisition of non-financial assets:      | 30,903,436        | (15,362,809)        | 15,540,627        | 32,148,527                 | (16,607,900)                  | 207%             |
| <b>Total Payments</b>                     | <b>30,903,436</b> | <b>(15,362,809)</b> | <b>15,540,627</b> | <b>32,148,527</b>          | <b>(16,607,900)</b>           | <b>207%</b>      |
| <b>Surplus or Deficit</b>                 | <b>-</b>          | <b>-</b>            | <b>-</b>          | <b>(32,148,527)</b>        | <b>(32,148,527)</b>           | <b>100%</b>      |

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

## **11. Significant Accounting Policies**

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

### **a) Statement of compliance and basis of preparation**

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

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

### **b) Reporting entity**

The financial statements are for the East Africa Trade & Transport Facilitation Project under the Kenya National Highways Authority. The financial statements are for the East Africa Trade & Transport Facilitation Project as required by Section 81 of the PFM Act, 2012.

### **c) Reporting currency**

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

### **d) Recognition of receipts**

The East Africa Trade & Transport Facilitation Project recognizes all receipts from various sources when an event occurs, and the related cash is received.

#### **i) Transfers from the Exchequer**

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

**Significant Accounting Policies (continued)**

**ii) External Assistance**

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

**iii) Other receipts**

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

**iv) Donations and grants**

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

**v) Proceeds from borrowing.**

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

**vi) Undrawn external assistance**

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

**Significant Accounting Policies (continued)**

**e) Recognition of payments**

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

**i) Compensation to employees**

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

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

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

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

**v) Acquisition of fixed assets**

The payment on the acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items, respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as a receipt and as a payment. A fixed asset register is maintained by the Authority, and a summary is provided for consolidation purposes. This summary is disclosed as an annexure to the consolidated financial statements.

**Significant Accounting Policies (continued)**

**f) In-kind donations**

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

**g) Cash and cash equivalents**

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

**h) Restriction on cash**

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

**i) Imprests and Advances**

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

**Significant Accounting Policies (Continued)**

**j) Contingent Liabilities**

A contingent liability is:

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

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

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. There were no contingent liabilities in the year.

**k) Contingent Assets**

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

**l) Pending bills**

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

**Significant Accounting Policies (Continued)**

balance.’ When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**m) Budget**

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

**n) Third-party payments**

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

**o) Exchange rate differences**

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

**Significant Accounting Policies (Continued)**

**p) 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.

**q) Subsequent events**

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

**r) Prior period adjustments**

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

**12. Notes to the Financial Statements**

**1. Transfers from Government entities**

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

|                             | <b>2023/24</b> | <b>2022/23</b>    | <b>Cumulative</b>    |
|-----------------------------|----------------|-------------------|----------------------|
|                             | <b>Kshs</b>    | <b>Kshs</b>       | <b>to-date</b>       |
| Counterpart funds Quarter 1 | -              | -                 | 344,176,316          |
| Counterpart funds Quarter 2 | -              | -                 | 480,033,408          |
| Counterpart funds Quarter 3 | -              | -                 | 684,409,533          |
| Counterpart funds Quarter 4 | -              | 50,000,000        | 535,502,395          |
| <b>Total</b>                | -              | <b>50,000,000</b> | <b>2,044,121,652</b> |

**2. Proceeds from Domestic and Foreign Grants**

The Project's financing agreement lapsed on 30<sup>th</sup> September 2015 hence no funding from development partners was received in form of grants in the current FY (FY 2022/23 Kshs Nil). A cumulative amount of Kshs 977,850,059 was however utilized in the project.

**3. Loan from External Development Partners**

The Project's financing agreement lapsed on 30<sup>th</sup> September 2015 hence no funding from Development Partners was received in form of loans negotiated by the National Treasury in FY 2023/24 (FY 2022/23 Kshs Nil). A cumulative amount of Kshs 1,668,501,725 was however utilized in the project.

**4. Miscellaneous Income**

|               | <b>FY 2023/24</b>                        |                                       |                       | <b>FY 2022/23</b>     | <b>Cumulative to-date</b> |
|---------------|--|---------------------------------------|-----------------------|-----------------------|---------------------------|
|               | <b>Receipts controlled by the entity</b> | <b>Receipts made by third parties</b> | <b>Total Receipts</b> | <b>Total Receipts</b> |                           |
|               | <b>Kshs</b>                              | <b>Kshs</b>                           | <b>Kshs</b>           | <b>Kshs</b>           | <b>Kshs</b>               |
| Bank Interest | -  | -                                     | -                     | 432,351               | 72,246,049                |
| <b>Total</b>  | -  | -                                     | -                     | <b>432,351</b>        | <b>72,246,049</b>         |

**EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

Notes to the Financial Statements (Continued)

**5. Purchase of Goods and Services**

| Description                          | FY 2023/24            |                                |                | FY 2022/23     | Cumulative to-date |
|--------------------------------------|-----------------------|--------------------------------|----------------|----------------|--------------------|
|                                      | Payments made in Cash | Payments made by third parties | Total Payments | Total Payments |                    |
|                                      | Kshs                  | Kshs                           | Kshs           | Kshs           |                    |
| Communication, supplies and services | -                     | -                              | -              | -              | 4,873,550          |
| Domestic travel and subsistence      | -                     | -                              | -              | -              | 55,049,927         |
| <b>Total</b>                         | -                     | -                              | -              | -              | <b>59,923,477</b>  |

**6. Acquisition of Non-Financial Assets**

| Description                                      | FY 2023/24            |                                |                   | FY 2022/23       | Cumulative to-date   |
|--|-----------------------|--------------------------------|-------------------|------------------|----------------------|
|  | Payments made in Cash | Payments made by third parties | Total Payments    | Total Payments   |                      |
|  | Kshs                  | Kshs                           | Kshs              | Kshs             |                      |
| Construction of roads                            | 32,148,527            | -                              | 32,148,527        | 9,000,000        | 4,549,735,292        |
| Purchase of office furniture & general equipment | -                     | -                              | -                 | -                | 101,766,413          |
| <b>Total</b>                                     | <b>32,148,527</b>     | -                              | <b>32,148,527</b> | <b>9,000,000</b> | <b>4,651,501,705</b> |

**7. Miscellaneous Expenditure**

| Description                  | FY 2023/24            |                                |                | FY 2022/23        | Cumulative to-date |
|------------------------------|-----------------------|--------------------------------|----------------|-------------------|--------------------|
|                              | Payments made in Cash | Payments made by third parties | Total Payments | Total Payments    |                    |
|                              | Kshs                  | Kshs                           | Kshs           | Kshs              |                    |
| Interest Overcharge          | -                     | -                              | -              | -                 | 8,860,813          |
| Transfers to Revenue Account | -                     | -                              | -              | 12,569,268        | 12,569,268         |
| <b>Total</b>                 | -                     | -                              | -              | <b>12,569,268</b> | <b>21,430,081</b>  |

**Notes to the Financial Statements (Continued)**

**8. Cash and Cash equivalents**

|                          |  | <b>2023/2024</b> | <b>2022/2023</b> |
|--------------------------|--|------------------|------------------|
|                          |  | <b>Kshs</b>      | <b>Kshs</b>      |
| Bank accounts (Note 8.A) |  | 29,864,222       | 62,012,749       |
|                          |  | 29,864,222       | 62,012,749       |

**8.A Bank Accounts**

| <b>Description</b>                                  | <b>2023/2024</b>  | <b>2022/2023</b>  |
|---|-------------------|-------------------|
|   | <b>Kshs</b>       | <b>Kshs</b>       |
| NBK Retention A/C 0100132733200                     | 21,012,749        | 21,012,749        |
| Co-operative Bank of Kenya Ltd A/C: '01141160979900 | 8,851,473         | 41,000,000        |
| <b>Total local currency balances</b>                | <b>29,864,222</b> | <b>62,012,749</b> |

**Special Deposit Accounts**

The Project Special Account was closed after the financing agreement lapsed on 30<sup>th</sup> September 2015

**9. Third Party Retention**

| <b>Description</b>      | <b>2023-2024</b>  |                       | <b>2022-2023</b>      |                       |
|-------------------------|-------------------|-----------------------|-----------------------|-----------------------|
|                         | <b>Kshs</b>       |                       | <b>Kshs</b>           |                       |
| Retention               | 21,012,749        |                       | 21,012,749            |                       |
| <b>Total</b>            | <b>21,012,749</b> |                       | <b>21,012,749</b>     |                       |
| <b>Ageing analysis:</b> | <b>Current FY</b> | <b>% of the Total</b> | <b>Comparative FY</b> | <b>% of the Total</b> |
| Under one year          | -                 | %                     | -                     | %                     |
| 1-2 years               | -                 | %                     | -                     | %                     |
| 2-3 years               | -                 | %                     | -                     | %                     |
| Over 3 years            | 21,012,749        | 100%                  | 21,012,749            | 100%                  |
| <b>Total</b>            | <b>21,012,749</b> | <b>%</b>              | <b>21,012,749</b>     | <b>%</b>              |

**Notes to the Financial Statements (Continued)**

**10. Changes in Accounts Payable – Retentions**

| <b>Description</b>                                    | <b>2023-2024</b> | <b>2022-2023</b> |
|---|------------------|------------------|
|   | <b>Kshs</b>      | <b>Kshs</b>      |
| Retentions as at 1 <sup>st</sup> July                 | 21,012,749       | 21,012,749       |
| Closing accounts payables as at 30 <sup>th</sup> June | 21,012,749       | 21,012,749       |
| Change in payables                                    | -                | -                |

**11. Fund Balance Carried Forward**

| <b>Description</b> | <b>FY 2023/24</b> | <b>FY 2022/23</b> |
|--------------------|-------------------|-------------------|
|                    | <b>KShs</b>       | <b>KShs</b>       |
| Bank accounts      | 8,851,473         | 41,000,000        |
| <b>Total</b>       | <b>8,851,473</b>  | <b>41,000,000</b> |

**Other Important Disclosures**

**12. Pending Accounts Payable (Annex 4)**

|   | <b>Balance<br/>b/f FY<br/>2023/2024</b> | <b>Additions<br/>for the<br/>period</b> | <b>Paid<br/>during the<br/>year</b> | <b>Balance<br/>c/f FY<br/>2023/2024</b> |
|---|---|---|-------------------------------------|---|
| <b>Description</b>                      | <b>Kshs</b>                             | <b>Kshs</b>                             | <b>Kshs</b>                         | <b>Kshs</b>                             |
| Construction of buildings & Civil Works | 70,867,529                              | 13,169,619                              | 32,148,527                          | 51,888,621                              |
| <b>Total</b>                            | <b>70,867,529</b>                       | <b>13,169,619</b>                       | <b>32,148,527</b>                   | <b>51,888,621</b>                       |

**13. Annexes**

**Annex 1 - Prior Year Auditor-General's Recommendations**

| Ref. No. | Issue / Observations from Auditor   | Management comments  | Status:      | Timeframe: |
|----------|---|--|--------------|------------|
|          | <p><b>Basis for Qualified Opinion</b></p> <p><b>Unsupported Long Unpaid Retentions</b></p> <p>As disclosed in Note 9 to the financial statements, the statement of financial assets reflects third party payables-retention balance of Kshs.21,012,749 in respect of accounts payable-retention in favor of two different firms owed balances of Kshs. 410,451 and Kshs.20,602,298. However, Management has not explained failure to pay the retention money some of which dates back to 2015 after the closure of the project. Further, the retention monies was not supported with ledgers and interim payment certificates.</p> <p>In the circumstances, the accuracy, completeness and existence of accounts payable balance of Kshs.21,012,749 could not be confirmed.</p> | <p>We agree with the audit observation that the Project had unpaid retentions amounting to Kshs 21,012,749 as at 30 June 2023.</p> <p>We wish to confirm that as at 30<sup>th</sup> June 2023, the respective contractors had not submitted certificates requesting for the release of retention as required by the respective contract documents hence the Authority could not release the amounts held.</p> <p>The retention amounts will therefore be released upon receipt of retention IPCs from the contractors, and the same shall be accounted for in the subsequent project financial statements. We also wish to note that the project's retention funds are fully disclosed in the financial statements as required by the Projects reporting template issued by the National Treasury.</p> | Not resolved | Ongoing    |

|  |  |  |  |  |
|--|--|--|--|--|
|  |  | <p>During the audit process, the following documents were provided to the audit team to support of the retention amount of Kshs 21,012,749 held in the retention bank account:</p> <ol style="list-style-type: none"> <li>1. Retention ledger / schedule indicating the transactions in relation to retention amounts, indicating a closing retention amounting to Kshs 21,012,749 as at 30 June 2023</li> <li>2. Summary of retention amounts for Vaghjiyani Enterprises Ltd and the supporting interim payment certificates.</li> <li>3. Summary of retention amounts for Dickways Construction Ltd and the the supporting interim payment certificates</li> </ol> |  |  |
|--|--|--|--|--|

***EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

|          | <b>Other matters</b>   |   |              |            |
|----------|--|---|--------------|------------|
| <b>1</b> | <p><b>Budgetary Control and Performance</b></p> <p>The statement of comparison of budget and actual amounts reflects final expenditure budget and actual on comparable basis of Kshs. 50,000,000 and Kshs.21,569,268 respectively resulting to under-absorption of Kshs.28,863,083 or 58% of the budget.</p> <p>The under absorption affected the planned activities and may have impacted negatively on service delivery to the public.</p> | <p>We agree with the audit observation that the project’s annual budget amounted to Kshs 50,000,000 while expenditure incurred in the year amounted to Kshs 21,569,268 resulting in an under-absorption of Kshs.28,863,083 or 58% of the budget.</p> <p>We however wish to clarify that this situation resulted from delayed release of the Project’s Exchequer funds which were received on 27th June 2023 while the Authority was in the process of undertaking the end of year closing procedures for FY 2022/23.</p> <p>The unspent balances will however be accounted for in subsequent financial years’ project financial statements.</p> | Not Resolved | FY 2024/25 |

***EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

|   |   |   |             |                            |
|---|---|---|-------------|----------------------------|
| 2 | <p><b>Project Information Report</b></p> <p>The project information at section 2.2 of the annual report and financial statements reflects the project end date of 30 September, 2015. However, the project closure report was not provided for audit, being almost eight (8) years after the expiry of the closure period. Further, the projects certificate of completion was not provided for audit for audit review.</p> | <p>We agree with the audit observation that the Project closure report was not ready during the audit process. We however wish to clarify that the closure report is under design and the same will be submitted to the OAG upon completion.</p> <p>We however disagree with the audit observation that the projects certificates of completion were not provided for audit for audit review. All the copies of the projects certificates of completion were provided during the audit process, after the project’s exit meeting and also attached to the responses to the Project’s management letter.</p> | Un-Resolved | 30 <sup>th</sup> June 2025 |
|---|---|---|-------------|----------------------------|

***EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

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|  |   |   |                     |                   |
|--|---|---|---------------------|-------------------|
|  | <p>In addition, the project duration detailed on Project overview report on paragraph 2.3 does not agree with the information on paragraph 2.2.</p> | <p>We agree with the audit observation that the information regarding the project duration as indicated under paragraph 2.2 and paragraph 2.3 are different.</p> <p>We however wish to clarify that while paragraph 2.2 provides the project duration as indicated in the project’s financing agreement, paragraph 2.3 on the other hand provides details of contract durations for the different components being implemented under the financing agreement.</p> | <p>Not Resolved</p> | <p>FY 2024/25</p> |
|--|---|---|---------------------|-------------------|

***EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***


|   |   |  |  |  |
|---|---|--|--|--|
| 3 | <p><b>Long Outstanding and Unsupported Pending Bills</b></p> <p>Annex 4 to the financial statements reflects analysis of pending bills in respect of constructions of buildings totaling Kshs.70,867,529 as at 30 June, 2023 including three outstanding bills of Kshs.34,964,092 which date back to 2017 and 2018.</p> | <p>We agree with the observation that the Project had a pending bill amounting to Kshs 70,867,529 as at 30 June, 2023. This situation arose due to:</p> <ul style="list-style-type: none"> <li>a) The Exhaustion and subsequent lapse of Development Partner financing prior to completion of all the project components</li> <li>b) Inadequate GoK counterpart budgetary provisions in the current as well as prior financial years.</li> </ul> <p>In order to facilitate settlement of the outstanding bills, the Authority will continue to engage the parent ministry and the National Treasury in a bid to facilitate adequate GoK budgetary allocations.</p> |  |  |
|---|---|--|--|--|

***EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***


|  |   |  |                     |                   |
|--|---|--|---------------------|-------------------|
|  | <p>However, review of annex 4 to the financial statements revealed additional pending bill balance of Kshs.35,903,436 incurred on 8 September,2021 which is six (6)years three (3)months after the project end date of 30 September,2015. Further, pending bills was not disclosed in the audited financial statements for the year ended 30 June, 2022. The Project therefore runs the risk of incurring significant unquantified interest costs and penalties with the continued delay in settling invoiced bills. Failure to clear pending bills in the year to which they relate distorts the budget of the following year as they constitute a first charge on the budget.</p> | <p>We disagree with the audit observation that the project incurred an additional expenditure amounting to Kshs 35,903,436 on 8<sup>th</sup> September 2021.</p> <p>We wish to clarify that the certificate in reference relates to the final certificate for the construction of one stop border post at Isebania. This is therefore not a new expenditure incurred under the project. We further wish to confirm that the financing agreement for the project ended on 30<sup>th</sup> September 2015 prior to completion of all the project components. As the time the financing agreement of the project lapsed, the Construction of the One Stop Border Post at Isebania was not completed, hence the Government of Kenya took over its financing to completion.</p> <p>The Isebania OSBP was subsequently completed and taken over on 11<sup>th</sup> February, 2022 after which the Project's final account was prepared, approved and disclosed in the Project's financial statements for FY 2022/23.</p> | <p>Not Resolved</p> | <p>FY 2024/25</p> |
|--|---|--|---------------------|-------------------|

***EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

|   |  |   |              |            |
|---|--|---|--------------|------------|
| 4 | <p><b>Unresolved Prior year Matters</b></p> <p>As disclosed under the progress on follow up of auditor’s recommendations section of the financial statements, the prior year audit issues remain unresolved as at 30 June, 2023. Management has not provided satisfactory reasons for the delay in resolving the issues.</p> | <p>We disagree with the audit observation that the Project Management did not provide any explanation on how prior year matters were resolved.</p> <p>We wish to note that as provided for in the Projects reporting template, the Project’s financial statements for financial year 2022/23, under Annex 1 (Progress on Follow Up of Prior Year Auditors Recommendations) to the financial statements, the Project management had provided comments and explanations on the status of each of the audit observations in the prior year financial statements.</p> | Not Resolved | FY 2024/25 |
|---|--|---|--------------|------------|

  
**Eng. Kungu Ndungu, MBS**  
**Director General**

**19 JUL 2024**  
 \_\_\_\_\_  
 Date

  
**Eng. Henry Gakuru**  
**Director, Development**

**19 JUL 2024**  
 \_\_\_\_\_  
 Date

***EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

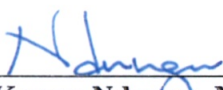
**Annex 2 - Variance Explanations - Comparative Budget and Actual amounts for Current FY**

|   | <b>Final Budget</b> | <b>Actual on Comparable Basis</b> | <b>Budget Utilization Difference</b> | <b>% of Utilization</b> | <b>Comments on Variance</b>  |
|---|---------------------|-----------------------------------|--------------------------------------|-------------------------|--|
|   | a                   | b                                 | c=a-b                                | d=b/a %                 |  |
| <b>Receipts</b>                           |                     |                                   |                                      |                         |  |
| Transfer from Government entities         | 15,540,627          | -                                 | 15,540,627                           | 0%                      | Exchequer funds not received by the Authority  |
| Proceeds from domestic and foreign grants | -                   | -                                 | -                                    | -                       |  |
| Miscellaneous receipts                    | -                   | -                                 | -                                    | -                       |  |
| <b>Total Receipts</b>                     | <b>15,540,627</b>   | <b>-</b>                          | <b>15,540,627</b>                    | <b>0%</b>               | Exchequer funds not received by the Authority  |
| <b>Payments</b>                           |                     |                                   |                                      |                         |  |
| Purchase of goods and services            | -                   | -                                 | -                                    | -                       |  |
| Acquisition of non-financial assets:      | 15,540,627          | 32,148,527                        | (16,607,900)                         | 207%                    | Payments were made using FY 2022/23 Carryover funds that were budgeted in FY 2022/23 and formed part of opening cash balance in FY 2023/24 |
| <b>Total Payments</b>                     | <b>15,540,627</b>   | <b>32,148,527</b>                 | <b>(16,607,900)</b>                  | <b>207%</b>             |  |

**EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT**  
*Annual Report and Financial Statements for the financial year ended June 30, 2024*

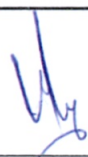
**Annex 3 - Reconciliation of Inter-Entity Transfers**

| East Africa Trade & Transport Facilitation Project         |                     |               |   |
|--|---------------------|---------------|---|
| Break down of Transfers from the State Department of Roads |                     |               |   |
| Government Counterpart Funding                             |                     |               |   |
| Quarter  | Bank Statement Date | Amount (KShs) | Indicate the FY to which the amounts relate |
| Quarter 1  | -                   | -             | FY 2023/24                                  |
| Quarter 2  | -                   | -             | FY 2023/24                                  |
| Quarter 3  | -                   | -             | FY 2023/24                                  |
| Quarter 4  | -                   | -             | FY 2023/24                                  |
| <b>Total</b>   | -                   | -             |   |

  
 Eng. Kungu Ndungu, MBS  
 Director General

19 JUL 2024

Date

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

19 JUL 2024

Date

**EAST AFRICA TRADE & TRANSPORT FACILITATION PROJECT**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**Annex 4 - Analysis of Pending Bills**

| Supplier of Goods or Services        | Date Invoiced | Original Amount   | Amount Paid To-Date | Outstanding Balance | Outstanding Balance | Comments  |
|--------------------------------------|---------------|-------------------|---------------------|---------------------|---------------------|-----------|
|                                      |               |                   |                     | Current FY          | Previous FY         |           |
|                                      | b             | a                 | c                   | d=a-c               |                     |           |
| <b>Construction of Roads</b>         |               |                   |                     |                     |                     |           |
|                                      |               |                   | -                   |                     |                     |           |
| Shengli Engineering Construction Ltd | 2018-08-15    | 10,615,519        | 10,615,519          | -                   | 10,615,519          | IPC 11    |
| Shengli Engineering Construction Ltd | 2018-08-15    | 22,351,055        | 8,363,389           | 13,987,666          | 22,351,055          | IPC 12    |
| Njuca Consolidated Co. Ltd           | 2017-05-15    | 26,890,035        | 24,892,517          | 1,997,518           | 1,997,518           | IPC 20    |
| Vaghjiyani Enterprises Ltd           | 2021-12-08    | 35,903,436        | -                   | 35,903,436          | 35,903,436          | Final IPC |
| <b>Total Construction of Roads</b>   |               | <b>95,760,046</b> | <b>43,871,425</b>   | <b>51,888,621</b>   | <b>70,867,529</b>   |           |
| <b>Grand Total</b>                   |               | <b>95,760,046</b> | <b>43,871,425</b>   | <b>51,888,621</b>   | <b>70,867,529</b>   |           |

**Annex 5 – Summary of Fixed Asset Register**

| Asset class                              | Opening Cost<br>(KShs)<br>2023/24 | Donations in<br>form of<br>assets<br>(KShs)<br>2023/24 | Purchases/Additions<br>in the Year<br>(KShs)<br>2023/24 | Disposals in<br>the Year<br>(KShs)<br>2023/24 | Transfers<br>in/(out)<br>(KShs)<br>2023/24 | Closing Cost<br>(KShs)<br>2023/24 |
|--|-----------------------------------|--|---|---|--|-----------------------------------|
|  | (a)                               | (b)  | (c)   | (d)   | (e)  | (f)= (a)+ (b)-(c)                 |
| Buildings and structures                 | 4,517,586,765                     | -  | 32,148,527  | -   | -  | 4,549,735,292                     |
| Office equipment, furniture and fittings | 101,766,413                       | -  | -   | -   | -  | 101,766,413                       |
| <b>Total</b>                             | <b>4,619,353,178</b>              | <b>-</b>   | <b>32,148,527</b>                                       | <b>-</b>                                      | <b>-</b>                                   | <b>4,651,501,705</b>              |