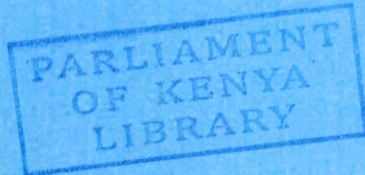


REPUBLIC OF KENYA



REPORT



OF

THE NATIONAL ASSEMBLY PARLIAMENTARY	
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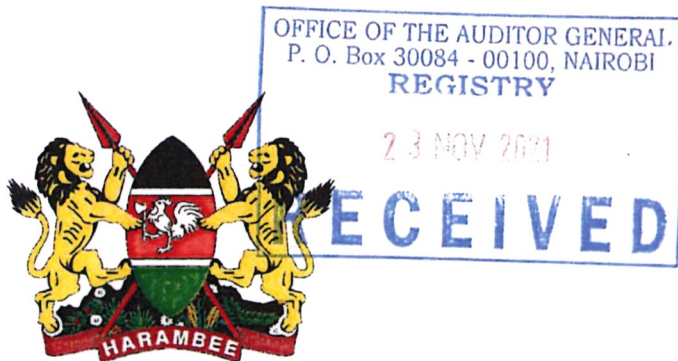
THE AUDITOR-GENERAL

ON

**KENYA INDUSTRY AND
ENTREPRENUERSHIP PROJECT
(CREDIT NO. IDA 6268-KE)**

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

**STATE DEPARTMENT
FOR INDUSTRIALIZATION**



KENYA INDUSTRY & ENTREPRENEURSHIP PROJECT

**MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE DEVELOPMENT;
STATE DEPARTMENT FOR INDUSTRIALIZATION**

CREDIT NUMBER: 6268-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

*Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
For the financial year ended June 30, 2021*

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*Kenya Industry & Entrepreneurship Project
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For the financial year ended June 30, 2021*

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is Kenya Industry & Entrepreneurship Project (KIEP)

Objective: The key objective of the project is to increase innovation and productivity in select private sector firms

Address: The project headquarters offices are in Nairobi County, Kenya.

The address of its registered office is:

National Social Security Fund Building
23rd Floor Block A
Bishops Road.
Upper Hill.

Contacts: The following are the project contacts

Telephone: (254) 2731631

E-mail: ps.moied@gmail.com

Website: www.industrialization.go.ke

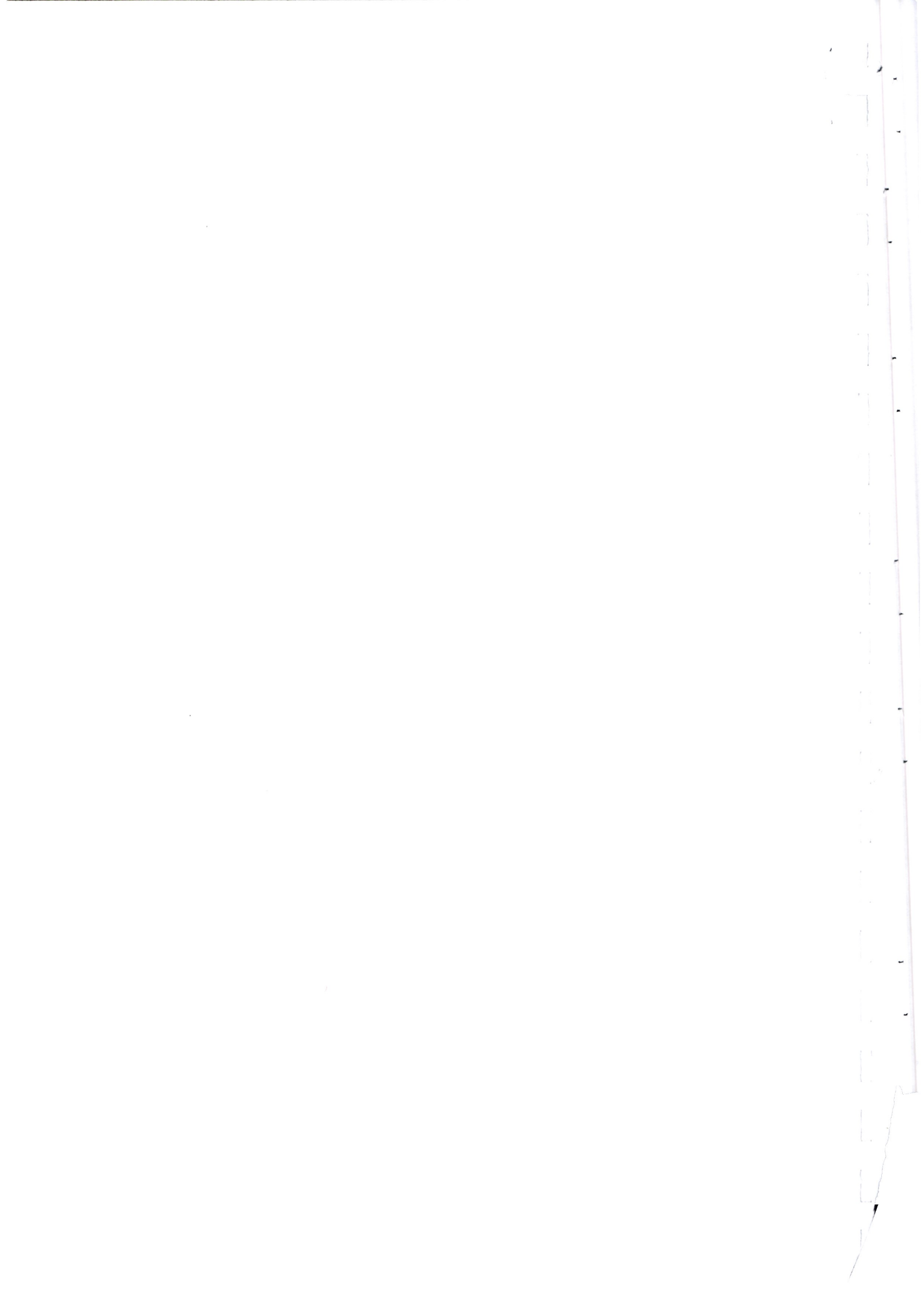
PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.2 Project Information

Project Start Date:	3 rd August 2018
Project End Date:	31 st December 2024
Project Coordinator:	Mr. Stephen Odua
Project Sponsor:	World Bank (IDA)

1.3 Project Overview

Line Ministry/State Department of the project	Ministry of Industrialization, Trade and Enterprise Development, State Department for Industrialization
Project number	Project ID. P161317
Strategic goals of the project	To increase innovation and productivity in select private sector firms
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <p>Part 1. <u>Strengthening the innovation and entrepreneurship Ecosystem</u></p> <p>(a) <u>Strengthening the Ecosystem’s support infrastructure</u></p> <ol style="list-style-type: none"> i. Designing and administering diagnostic tools to assess the Intermediaries’ management and operations, and the options through which each can improve and or expand their services; ii. Designing and managing a program for Intermediaries to implement action plans under Performance Contracts or Memoranda of Understanding; iii. Incorporating lessons learned to adapt and strengthen the program design, including the diagnostic tools and action plans, as needed; iv. Carrying out awareness raising and information dissemination activities on the program; and v. Collecting data at baseline and throughout implementation, to feed into the Project monitoring and evaluation system. <p>(b) <u>Connecting to international networks and to local traditional industries</u></p> <p>Connect the local Ecosystem to international networks and ii. bridge the gap between local industry and technology-enabled startups, and local industry and students of Tertiary Education Institutions (“TEIs”), and iii. Support coordination in the Ecosystem, through:</p> <ol style="list-style-type: none"> (i) Development of international acceleration program that connects the local ecosystem to leading international networks and ecosystems. (ii) establishment and management of industry-startup linkages to



	<p>bridge the gap between local industry and technology-enabled startups; and</p> <p>(iii) Establishment and management of an industry-academia platform to connect tertiary education institutions and their students to individual companies.</p> <p>Part 2: <u>SME Linkages and Upgrading</u></p> <p>Strengthen the productivity and internal capabilities for innovation of Small and Medium Enterprises (“SMEs”) through</p> <ul style="list-style-type: none"> a. Designing and administering diagnostic tools to assess SMEs’ management and operations, and the options through which each can improve their managerial and technical skills, and their use and access to technology. b. Designing and managing a program for SMEs to implement action plans under Performance Contracts c. Designing a mechanism to enhance SMEs engagement with lead firms, including business development to ensure flow of lead firms and SMEs into the program referred to in paragraph (b) above; d. Incorporating lessons learned to adapt and strengthen the program design, including the diagnostic tools and action plans, as needed; e. Carrying out awareness raising and information dissemination activities on the program; and f. Collecting data at baseline and throughout implementation, to feed into the Project monitoring and evaluation system <p>Part 3: Project management, coordination and reporting.</p>
<p>Other important background information of the project</p>	<p>The project is funded International Development Association (IDA) World Bank. The Project total cost is US\$ 50 million (EURO 41,400,000) and is to be implemented over six years.</p> <p>Project Categories</p> <p>The overall Project has three components categories as per the Financing Agreement dated 3rd August 2019:</p> <p>Category 1: Goods, non-consulting services, consultant’s services, Training and Incremental Operating Costs</p> <p>1. Component 1: Strengthening the innovation and entrepreneurship ecosystem</p>



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	<p>1a. Strengthening the Ecosystem’s support infrastructure 1a1 Sub-component: Strengthening the Ecosystem’s Support Infrastructure 1a2 Sub-component: Industry-Startup Linkage Program 1b. Connecting to international networks and to local traditional industries 1b.1Sub-component: International Acceleration Process 1b.2Sub-component: Industry-Academia Platform 2. Component 2: SME Linkages and Upgrading 3. Component 3. Outreach, Monitoring and Evaluation, and Project Implementation Support</p>
<p>Current situation that the project was formed to intervene</p>	<p>The project was formed to intervene in the following areas:</p> <ul style="list-style-type: none"> i. Limited connections to networks of international mentors, angel investors, and venture capitalists (VCs) making it difficult for local startups to grow and compete internationally ii. Limited contact between traditional industry and technology-enabled startups in Kenya, iii. To create the next generation of globally competitive Information and Communications Technologies (ICT) leadership, technology-enabled businesses and technology talent pool that will transform Kenya. iv. SMEs also have difficulties in improving their productivity due to poor managerial practices and information failures around how to upgrade. Firm-level data in Kenya reveals most firms have low productivity due to a skills deficit both at the managerial and technical levels v. By strengthening the innovation and entrepreneurship ecosystem and increasing firm-level innovation and productivity, will deliver Kenya’s Vision 2030, which recognizes the challenges of slow structural transformation and low productivity in sectors that employ the majority of Kenyans.
<p>Project duration</p>	<p>Six years. Project Effectiveness: 22nd November 2018 and Project Closure: 31st December 2024</p>

1.4 Bankers

The following are the bankers for the current year:

- (i) Designated Account (Credit) – Central Bank of Kenya – Account Number- 1000395923
- (ii) Project Account (Credit) – Central Bank of Kenya- Account Number- 1000397144

1.5 Auditors

The project is audited by the Auditor General, Office of the Auditor general. (P.O Box 30084 University Way, Nairobi.) Under the Article 229(4) of the Constitution of Kenya.

1.6 Roles and Responsibilities

The following are the officers who were responsible for the project

Names	Title designation	Key Qualification	Responsibilities
Amb.Kirimi P. Kaberia	PS State Department of Industrialization	Masters Degree in International Law(LLM),Bachelors Degree in Journalism and Communication	Accounting officer
Stephen Odua	Director of Industries	Masters of Science in Enterpreneurship,Bachelor of science statistic & computer science	Project Coordinator
John Muinami	Project Manager	Masters of Business Administration,Certified Public Accountant Finalist	Project Management
Ruth Wanyonyi	Project Accountant	MSC,BCOM, CPA(K)Masters of Science –Finance,Bachelorof Commerce-Finance ,Certified Public Accountant Kenya	Financial Management

1.7 Funding summary

The Project is for duration of six years from 22nd November 2018 to 31st December 2024 with an approved budget of EURO 45,540,000 equivalent to ksh. 5,190,781,270. Below is the funding summary:

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

Below is the funding summary:

A. Source of Funds



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Source of funds	Donor Commitment-		Amount received to date – (30th June,2021)		Undrawn balance to date	
	Donor currency EURO	KShs	Donor currency EURO	KShs'	Donor currency EURO	KShs '
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
Loan						
IDA	41,400,000.00	4,718,892,060	2,345,398.85	279,992,904	39,054,601.15	4,438,899,156
Counterpart funds						
Government of Kenya	4,140,000	471,889,206	830,187.59	94,657,450	3,309,812.41	377,231,756
Total	45,540,000.00	5,190,781,266	3,175,586.44	374,650,354	42,364,413.56	4,816,130,912

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2021)		Cumulative Amount paid to date – (30 th June 2021)	Unutilised balance to date	
	Donor currency	Kshs		Donor currency	Kshs
	(A)	(A')		(B')	(A)-(B')
(i) Loan					
IDA	2,345,398.85	279,992,904	185,895,976	726,012.29	94,096,928
(ii) Counterpart funds					
Government of Kenya	830,187.59	94,657,450	92,703,886	17,012.57	1,953,564
Total	3,175,586.44	374,650,354	278,599,862	743,024.86	96,050,492

1.8 Summary of Overall Project Performance:

a) SME Upgrading

The Management Consultant firm (NIRAS OY) was on boarded, Inception report and 1st Cohort report approved. KIEP 250+ subcomponent launched, Longlisting and Shortlisting of the first Cohort of SMEs completed. Forty Four (44) SMEs were selected and approved for inclusion in KIEP 250+ cohort 1; Selection Committee (SC) Appointed ;Business Advisors recruited and trained; Business Diagnostics methodology Finalized; Performance Improvement plan (PIP) templates designed; Due Diligence built into SmartME; Grievance Redress Mechanism designed; Grant disbursement workflow developed; KIEP 250+ website rebuilt; Strategic partners engagements conducted and Cohort two preparations ignited.

b) International Acceleration Process.



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The Management Consultant firm (GrowthAfrica) was on boarded, Inception report, Communication and Stakeholders Mobilization report, Startup Savanna launched, Quarter 1, 2 and 3 reports approved by CIT. The Startup Savanna team put in place systems and implementing activities geared at building a brand and momentum towards connecting Kenyan ecosystem to international experts, investment and support infrastructure, contributing to job creation, GDP growth, digital transformation and sustainability. Cohort 1 of the Startup Savannah has been launched where 89 Entrepreneurs have since been registered, 16 local and foreign Enterprise Support Organizations (ESOs) registered. 66 entrepreneurs have been linked to Ignite platform, an Indian based, 9-week virtual training program under Cohort 1 with an additional 52 registered for Cohort 2 that starts in July 2021. GrowthAfrica has partnered with Oracle to provide startups with free oracle products as well as trainings to enable beneficiaries digitize and use the accruing benefits.⁴ Registered beneficiaries have been linked to IMFact for potential working capital financing.

c) Industry Academia

The Management Consultant firm (Maastricht School of Management) was on boarded, Inception report, IAP Stakeholders mapping report, IAP International benchmarking report, IAP Options Assessment report, Quarter 1 & 2 reports approved, IAP Strategic business plan (Road map) developed in consultation with key private sector actors and key partners; Agreements with key partners for 5 innovation challenges (including Demola) developed. Project launch preparation that includes launching the logo (iTATU) and website initiated.

d) Others: The Communication firm, Apex Porter Novelli and M&E firm

The Management Consultant firm for Monitoring and Evaluation (Spantrack Ltd & Finnish Consulting Group), The Management Consultant firm for KIEP communication (Apex Porter Novelli), SME Manager, Innovation Ecosystem Manager and Environment Social Safeguards Specialist were on boarded during the period.

Five out of the seven management firms are on boarded, with a total contract value of US\$11.5 million (23 percent of the project), and the remaining two contracts, worth US\$8.7 million (17.5 percent of the project size), are due to be signed early next quarter. The 'Industry-Startup Linkage Program and the Administration of Intermediaries' are the two key contracts that have been delayed (Intermediaries). The following are the causes of the delays:

- The ISLP contract was delayed due to a protracted due diligence process that developed from a difference between the consultancy's brand name in the technical proposal and its legally registered name.
- Intermediaries contract faced delays due to lengthy negotiations which necessitated the PIU to proceed to the second bidder. The contract with the second bidder is now finalized and expected to be signed next before end of August 2021.

Constraints and challenges in budget implementation and how they will be addressed

- (i) **Project Design:** The design envisaged implementation of the project through Management Consultants. The procurement of the consultants delayed having come on board in August 2021 hence the project is lagging behind on implementation. This has been mitigated by closely planning and monitoring deliverables with PIU.
- (ii) **World Bank Procedures vis-à-vis GOK Procedures:** Though generally the procedures are similar, the interpretation of the GOK requirements in some cases caused delay in procurement as we had to seek procurement opinion from the Public Procurement Regulatory Authority and the State Law office.
- (iii) **Direct payments to beneficiaries:** The design had envisaged that payments will be made by the Management consultants directly to the beneficiaries. The National Treasury opposed this arrangement, as the Government will still be accountable for the same. This has delayed payments to the beneficiaries.
- (iv) **Covid-19 Pandemic:** The 1st wave of Covid-19 started in March 2020 as this meant that some of the shortlisted firms could not come and negotiate the contracts. This has caused delays including the diagnosis process for the beneficiaries.
- (v) **Mid-term review Process:** The project implementation has slowed down awaiting the decision to undertake a comprehensive mid-term review. This has led to the postponement of launch for Cohort 2 under KIEP 250+, Industry-Academia Program and the Startup Savannah sub-components.
- (vi) **Demand driven Approach:** The project design is based on a demand driven approach and with the slowness in momentum to attract the beneficiaries will affect the project upstream.
- (vii) **Reduced allocation of Counterpart Funds:** The project envisaged the Counterpart component of the project to support the national outreach of the project. This has been on the decline and last financial year, the National treasury provided authority to use the 2nd half allocation in the 1st half and later reduced the allocation during the supplementary budget leading to negative expenditures.
- (viii) **Delays in disbursement:** Though the MOUs have been signed for the 4 State Corporations and ASSEK, not all funds have been disbursed except to Kenya Industrial Estates.

1.9 Summary of Project Compliance:

So far, there have been no significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants KIEP project. This can be attribute to

- Periodic Project Implementation Unit (PIU) and Contract Implementation Team weekly meetings
- Frequent adhoc weekly meeting by PIU and the World Bank to address challenges before they are out of proportion.
- Close work plan and budget monitoring from start of the project.
- Regular obtaining 'No Objection' from World Bank team for designated activities.



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- Involvement of Project Implementation Unit in planning and execution of project activities.
- Develop informational flow chart with key decision tree to streamline decision making and prevent avoidable bureaucratic delays.

The above actions are the KIEP mitigation measures taken to alleviate the adverse effects of actual or potential consequences of non-compliance



2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PRE-DETERMINED OBJECTIVES

Introduction

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

The Project Development Objective (PDO) is "to increase innovation and productivity in select private sector firms."

The key development objectives of the *project's 2018-2022* plans are to:

- a) To strengthening the innovation and entrepreneurship ecosystem (Component 1)
- b) To Strengthen the ecosystem's support infrastructure - Subcomponent 1a
- c) To Connect to international networks and local traditional industries -Subcomponent 1b
- d) To strengthen the productivity and internal capabilities for innovation of select SMEs (Component 2)
- e) To provide resources for: (a) communication to facilitate diffusion and replication of promising innovations, (b) monitoring and evaluation (M&E) analyses to ensure the implementation and sustainability of the Project's activities, and (c) Project implementation support. (Component 3)

Progress on attainment of Strategic development objectives

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

Project	Objective	Outcome	Indicator	Measure	End target	Performance
KIEP	Final result indicators To increase innovation and productivity in select private sector firms."	Increased Innovation	Number of select firms with a developed innovation	Number	127	In FY 2019 /2020, KIEP initiated the procurement of seven consultant firms and two Individual consultant ants as below. <ul style="list-style-type: none"> ▪ The procurement process of the intermediary firm is being finalized. ▪ KIEP completed negotiation and contracting.
		To increase productivity	Number of select firms experiencing an increase in productivity	Number	50	

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		Cross Cutting	Firms benefiting from private sector initiatives	Number	2,755	<ul style="list-style-type: none"> ▪ Consultancy Services for Administration And Management of an Industry-Academia Platform-Maastricht School of Management (MSM) with LIWA (Linking Industry with Academia) Trust and INASP ▪ Consultancy Services for Design and Management of an International Acceleration Process- Growth Africa with Aspen Network of Development Entrepreneurs (ANDE) and Nairobi Garage ▪ Consultancy Services for Management of Support to SMEs Through Capacity Assessment and Performance Based Funding- Niras Finland Oy ▪ Consultancy Services for Design and Management of an Industry-Start-up Linkage Program-500 Startups with Endeavour Kenya and Savannah Fund ▪ Innovations Ecosystem Manager ▪ SME Manager. ▪ Implementation of key activities was initiated in August 2020.
			Of which are female-owned	Number	262	
Component 1	To strengthening the innovation and entrepreneurship ecosystem (Component 1)	Increase innovation	Beneficiary satisfaction with incubator and accelerator services (citizen engagement indicator)	Number	70	
			Percentage of technology bootcamp graduates that are women	Percentage	35	
	Crosscutting		Number of individuals trained	Number	2,891	
			Of which female	Number	517	
Component 2	To strengthen the productivity and internal capabilities for innovation of select SMEs (Component 2)	Increase productivity	Number of beneficiary SMEs with above average revenue growth	Number	25	



3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

KIEP exists to transform lives by changing the business mind-set, and entrepreneurial culture through strengthening the innovation and entrepreneurship ecosystem, linking industry with academia, linking startups with industry, opening access to local and international partnerships through International acceleration process, upgrading SMEs, increasing innovation and productivity of select private firms. This is our purpose; the driving force behind everything we do. The compass that guides us to deliver our strategy.

Below is a brief highlight of our activities that drive towards sustainability.

1.Sustainability strategy and profile

In summary the implementation of KIEP project is aligned with the Kenya vision 2030, Medium Term Plan (MTP III, 2018-2022), National Industrialization Policy (2012-2030), Kenya Industrialization and Transformation Policy 2015, Medium & Small Enterprises (MSE) Act 2020 and big four Agenda. KIEP addresses challenges of low innovation and technology transfer by the SMEs, Weak linkages Academia/industry and Firm level support.

Some of KIEP sustainability measures include;

Delivery & Contracting Mechanisms-The Project Steering Committee (PSC) comprises of (KEPSA, KAM, ASSEK, MOITED, TNT, MOE, KNCCI) among others. The involvement of business associations in design and implementation as appellate Project Steering Committee to offer top-notch intervention advisory and ensure documented programs lessons learnt are replicated and cascaded beyond project shelf life.

Participation Incubators, Accelerators, Boot camps, Universities, SMEs - The innovation ecosystem players were involvement in design and implementation of the project. These players are direct beneficiaries with establishments that are going concerns. The Stakeholders prudently agreed upon the beneficiary's selection criteria based on market competitiveness.

KIEP Management & Organization- KIEP project implementation unit composed of Ministry staff as project Implementation unit (PIU) who ensures quality delivery and replicability of lessons learnt in their day-to-day running of the directorates. The PIU will also receive targeted training including Country Industry Development Officers (CIDO).

Creation of database for local business advisors/ boot-camp providers to train and mentor SMEs/ startups- The registration of business advisors will create a vetted database for any planning, selection and identification of business providers and provide a databank for future use.

Financial, economic & Social The project will benefit SMEs, Students, Research Institutions, Innovators through Financial Disbursements, Training and mentoring, Products developed and commercialized, Partnerships and linkages and Joint ventures.

SME Technology Upgrading–The project will support the SMEs to acquire /install appropriate production technologies; Support incubators (KEBS, KIE, KIRDI) acquire modern equipment for training & common manufacturing facilities; Provide support to boot-camp for training on highly intensive technical skills to startups;

Social, Gender and Culture- KIEP Target 30% of project beneficiaries to be women owned & led startups/SMEs. Inclusion of women owned & led startups/SMEs in implementation and benefitting from the project is one of the key approaches of the project. Project beneficiaries will not perpetuate exploitation of the vulnerable and poor women and young girls

Political & Economic Factors- KIEP project objective are anchored in the Government development policies, plans & manifestos.

2. Environmental performance

KIEP developed the Environmental Social Safeguard plan that provides guidance to project beneficiaries in the selection, preparation and implementation of activities in order to avoid or minimize environmental and social risks and negative impacts and enhance the environmental and social benefits and performance under the project.

The Project Implementation Team reviewed and appraised contract templates of potential beneficiary firms and ecosystem intermediaries and guided in environment and social safeguard requirements. Clauses on environment and social safeguard requirements were captured in the MOUs of KIRDI, KIPI, KIE, KEBS and ASSEK. PIU and selected beneficiaries were trained on Environmental Social Safeguards skills. This included ensuring beneficiaries firm use the Environmental and Social Screening Form (ESSF), develop requisite supplementary environmental safeguard instruments; Environment and Social Impact Assessment (ESIA), Environment and Social Management Plan (ESMP) and Grievance Redress Mechanism (GRM) for participating institutions / organisations/ beneficiaries which included: KIRDI, KIPI, KIE, KEBS, ASSEK, Growth Africa, MSM and NIRAS.

All Grievance Redress Mechanism (GRM) for KIEP and sub components is online, 24/7 and a respective GRM team have been appointed to oversee seamless GRM implementation.

All ESMPs were prepared, guided by requirements and applicable national laws, legislations and regulations, the World Bank environment and social safeguard policies, WBG EHS



guidelines and GBV Directives and, Prevention of Sexual Exploitation and Abuse (PSEA) including Child Labour and Employment act.

3. Employee Welfare

The hiring of the consultant firms and Individual consultant followed the Kenya Public Procurement and Asset Disposal Act, 2015 and the World Bank's Procurement Framework, which promotes tailored procurement approaches that emphasize choice, quality, and value for public spending. The frameworks determine the best value for money to ensure quality outcomes and sustainability by focusing on market research, needs analysis, and project-specific risks, including environmental and social issues.

Market place practices-

KIEP ensures that fair and competitive marketplace practices are upheld all the time using the below efforts:

a) Responsible competition practice.

All the KIEP procurement activities were advertised in local dailies and United Nations Development Business (UNDB) website for global procurement market that facilitate successful bidding on international development projects and ensured fair competition and respect for competitors that includes ethical marketing practices.

b) Responsible Supply chain and supplier relations-

The project has signed five contracts with management consultant firms. The contracts are binding for the project period. So far, all milestones planned for the year were achieved; Contract Implementation team reviewed and approved the respective milestone and completion certificates prepared. The ministry is working on timely payments to consultant firms

4. Community Engagements

Stakeholders mapping for all subcomponents was conducted which informed on KIEP programming and targeting. So far more than 101 mobilization and information sessions were conducted to create project awareness, desire, knowledge, ability and inform the public on the sub component specific selection criteria for selection, selection process journey especially for SMEs that will receive Technical Assistance to improve their business productivity and innovation.



4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

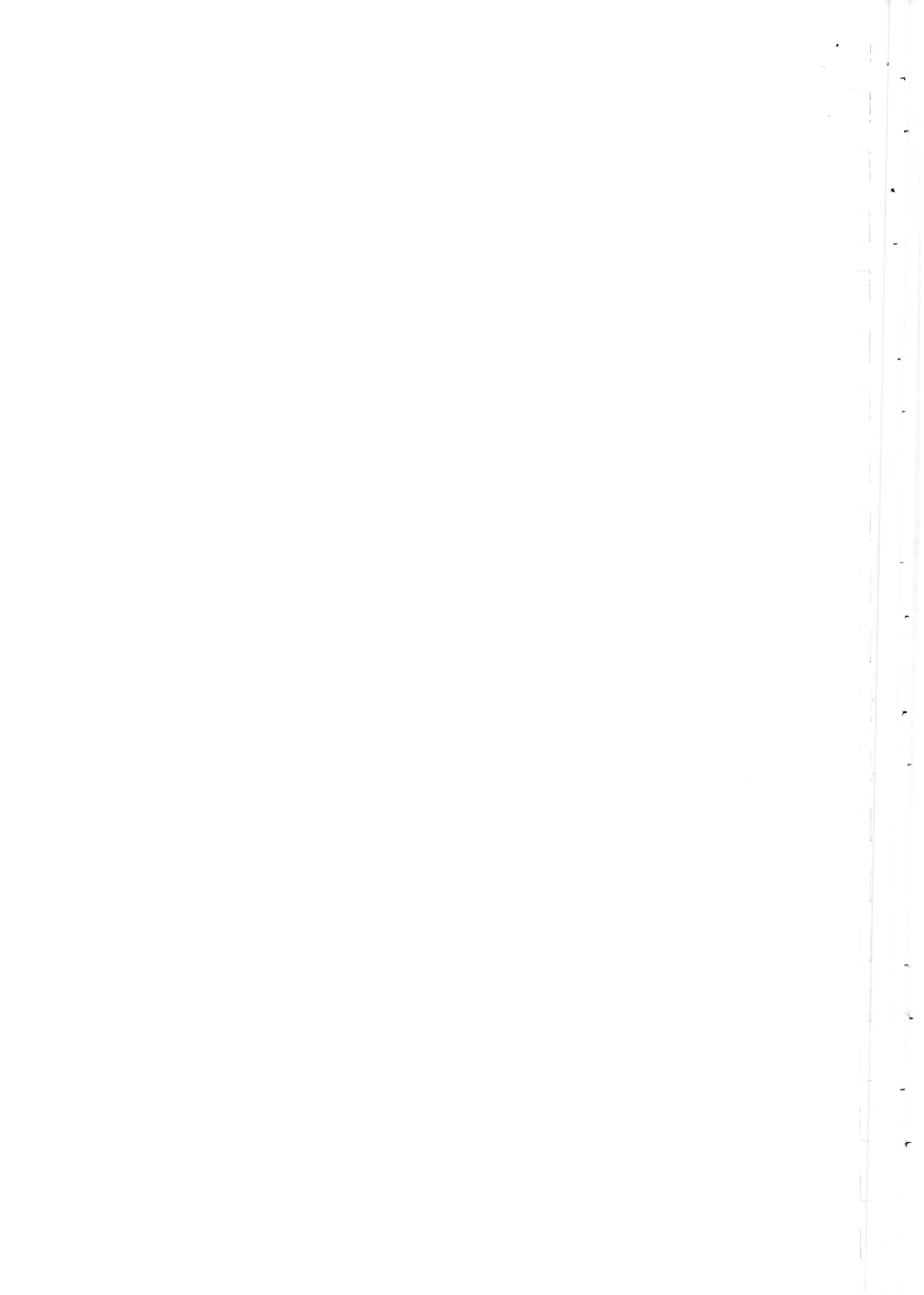
The Principal Secretary for Industrialization, Ministry of Industrialization, Trade and Enterprise Development and the **Project Coordinator** for **Kenya Industry and Entrepreneurship Project (KIEP)** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2021.

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

The Principal Secretary, State department for Industrialization and the **Project Coordinator** for **Kenya Industry and Entrepreneurship Project (KIEP)** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

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

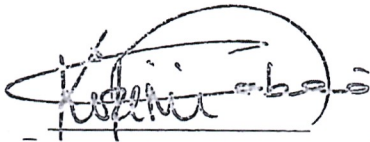
The Principal Secretary for Industrialization and the **Project Coordinator** for **Kenya Industry and Entrepreneurship Project (KIEP)**, confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.



**Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
For the financial year ended June 30, 2021**

Approval of the Project financial statements

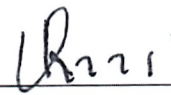
The Project financial statements were approved by the *Principal Secretary* for the Ministry of Industrialization, Trade and Enterprise Development; State Department for Industrialization and the *Project Coordinator* for *Kenya Industry and Entrepreneurship Project (KIEP)* on _____ 2021 and signed by them.



Amb. Kirima P. Kaberia, CBS
Principal Secretary



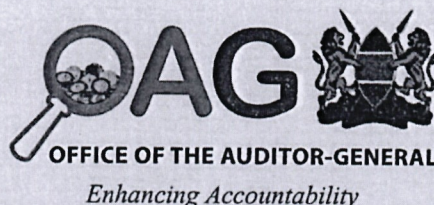
Stephen Odua
Project Coordinator



Ruth M. Wanyonyi
Project Accountant:
ICPAK Member Number: 13147

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA INDUSTRY AND ENTREPRENEURSHIP PROJECT (CREDIT NO. IDA 6268-KE) FOR THE YEAR ENDED 30 JUNE, 2021 – STATE DEPARTMENT FOR INDUSTRIALIZATION

PREAMBLE

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

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

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

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

Report of the Auditor-General on Kenya Industry and Entrepreneurship Project (Credit NO. IDA 6268-KE) for the year ended 30 June, 2021 – State Department for Industrialization



REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Industry and Entrepreneurship Project (Credit No. IDA 6268-KE) set out on pages 1 to 22, which comprise the statement of financial assets as at 30 June, 2021, and statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya, 2010 and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Industry and Entrepreneurship Project as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and complies with the Public Finance Management Act, 2012 and the Financing Agreement Credit No.6268-KE between the International Development Association (IDA) and the Republic of Kenya dated 3 August, 2018.

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

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects actual receipts of Kshs.122,157,715 against budgeted receipts of Kshs.514,436,061, resulting in a shortfall of Kshs.392,278,346 or 76% of total budget. The shortfall arose under the IDA Loan

where actual receipts amounted to Kshs.102,500,265 against the budgeted receipts of Kshs.498,267,183, resulting in a shortfall of Kshs.395,766,918 or 79% of the total budgeted receipts. In addition, actual receipts under transfer from government entities were Kshs.19,657,450 against budgeted receipts of Kshs.16,168,878, resulting to excess receipts of Kshs.3,488,572 or 18% of the total budgeted receipts. These excess receipts, combined with the shortfall under the IDA Loan resulted to the combined shortfall in receipts of Kshs.392,278,351 or 76% of total budget.

Further, the statement of comparative budget and actual amounts reflects budgeted payments of Kshs.514,436,061 against actual payments of Kshs.158,310,681, resulting to under expenditure of Kshs.356,125,380 or 69% of total budget.

The Management has attributed the under expenditure to slow procurement of consultants due to COVID-19 challenges, which resulted in delayed signing of contracts for the consultants and approval of inception reports.

In view of the above, the Project Management have not have implemented all the planned and approved programmes, resulting to delayed provision of services to the citizens.

Other Information

The Management is responsible for the other information, which comprises Project information and overall performance, statement of performance against Project's predetermined objectives, corporate social responsibility statement/sustainability reporting and statement of project management responsibilities. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the project financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unsupported Payments – Hire of Conference Facilities

The statement of receipts and payments for the year ended 30 June, 2021 reflects Kshs.108, 960,681, in respect to purchase of goods and services as disclosed in Note 4 to the financial statements, which includes Kshs.2,584,410 for hospitality supplies and

services which includes an amount of Kshs.2,292,500 and which was paid to various suppliers on account of hire of conference facility. However, the expenditure was not supported with relevant documents including evidence of letters of appointment of opening and evaluation committee members, their reports and the professional opinion of the head of procurement function and the Local Service Orders (LSOs). This is contrary to the requirements of Regulation 91(2) of Public Procurement and Asset Disposal Regulations, 2020 which states that "The accounting officer or such other person delegated in writing by that accounting officer shall, and for the purposes of the procurement process, appoint (a) an ad hoc opening committee in accordance with Section 78 of the Act; and (b) the ad hoc evaluation committee in accordance with Section 46 of the Act and regulation 39 of these Regulations. (3) The ad hoc evaluation committee shall carry out the evaluation in accordance with the Act and these Regulations. Further Subsection (4) requires that before any decision to award a procurement under a request for quotation is made, the head of procurement function shall by way of professional opinion make a recommendation based on a market survey.

Consequently, the Management was in breach of the Law.

2. Irregular Allowances on Office Partitioning

Statements of receipts and payments for the year ended 30 June, 2021 reflects Kshs.108,960,681, in respect to purchase of goods and services as disclosed in Note 4 to the financial statements, which includes Kshs.1,005,000 under other operating payments, which amount of Kshs.960,000 was paid as allowances to officers who were involved in partitioning of Project offices. However, review of the expenditure revealed that although a contractor was engaged for the work, the Management made payments for meal allowance to staff for partitioning of the Project offices.

This is contrary to Section C.17(3) of H.R Policies & Procedures Manual for Public Service 2016 which states that, Meal allowance shall not be paid as a compensation for officers who are required to work beyond the official working hours.

In the circumstances, the propriety of the allowances of Kshs.960,000 for partitioning of offices as at 30 June, 2021 could not be confirmed the Management is in breach of the law.

3.0 Irregular Award of Contract for Works and Consultancy Services

3.1 Consultancy Services for Administration and Management of Industry Academia Platform

The statement of receipts and payments for the year ended 30 June, 2021 reflects Kshs.108,960,681 in respect of purchase of Goods and Services, as disclosed in Note 4 to the financial statements. This includes Kshs.79,148,797 for consultancy services out of which Kshs.8,429,679 was spent on consultancy for Administration and Management of an Industry Academia Platform. However, review of the procurement of the consultancy services revealed that the firm which won the tender was in partnership with another firm which submitted a proposal for expression of interest for the same contract. This is

contrary to the requirements of the Bank under Section 3.20 of World Bank Procurement Regulations, 2018 which prohibit consultants from submitting multiple proposals on any one consultancy.

Consequently, the Project Management is in breach of the Bank Procurement Regulation.

3.2 Consultancy Services for International Acceleration Process

The statement of receipts and payments for the year ended 30 June, 2021 reflects Kshs.108,960,681 in respect to purchase of Goods and Services, as disclosed in Note 4 to the financial statements, which includes Kshs.79,148,797 for consultancy services out of which Kshs.26,687,554 was spent on consultancy for International Acceleration Process services.

However, review of the procurement documents for the above contract revealed existence of two (2) evaluation reports on the expression of interest for the above consultancy services. According to the first report dated 25 January, 2019 the above successful tender was not responsive based on the fact that, the firm did not demonstrate adequate experience in carrying out similar assignments and a strong understanding of the operating and business environment in Kenya. Further, the firm did not demonstrate ability to work collaboratively with government counterparts. The firm also lacked sufficient existing network and experience in working with start-ups and entrepreneurs who had been engaged in the then previous five years.

According to the second report dated 11 July, 2019, the winning firm and another firm which were unresponsive according to the first evaluation report, were reported to be responsive. Further, two firms which were evaluated as responsive as per the first report, were reported to be unresponsive as per the second evaluation report.

It was not clear the circumstances under which the evaluation results in the two reports changed such that the winning firm was declared the successful bid, considering that there were no changes in the evaluation criteria or the composition of the evaluation committee.

Under the circumstances, it was not possible to confirm that the above consultancy services were procured in compliance with proper procurement procedures.

3.3 Contract for Routine Maintenance - Office Partition

The statement of receipts and payments for the year ended 30 June, 2021 reflects Kshs.108,960,681 in respect to purchase of Goods and Services, as disclosed in Note 4 to the financial statements. Included in this figure is Kshs.2,529,084 which was paid for Routine Maintenance - Office partition.

However, review of related procurement documents revealed that the tender was closed on 27 March, 2020 and the evaluation was completed on 26 May, 2020, which was beyond the prescribed evaluation period of 30 days.

Further, the notification of award of tender was issued on 16 June, 2020, after the tender validity period of 60 days had lapsed on 27 May, 2020. There was no approval for extension of the tender validity period.

In view of the above anomalies, it was not possible to confirm that the above partitioning works were procured in compliance with proper procurement procedures.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

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 which are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue sustaining its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project or 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 financial reporting process, reviewing the effectiveness of how the Project monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 November, 2021

Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
For the financial year ended June 30, 2021

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

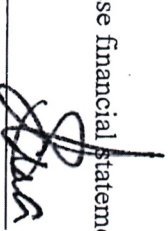
	Note	2020/2021 Receipts and payments controlled by the entity	2019/2020 Receipts and payments controlled by the entity	Cumulative
		KShs	KShs	KShs
RECEIPTS				
Transfer from Government entities	1	19,657,450	50,000,000	94,657,450
Loan from external development partners	2	102,500,265	177,492,639	279,992,904
TOTAL RECEIPTS		122,157,715	227,492,639	374,650,354
PAYMENTS				
Compensation of employees	3	17,750,000	11,160,000	35,550,000
Purchase of goods and services	4	108,960,681	79,223,928	205,421,753
Acquisition of non-financial assets	5	-	6,028,109	6,028,109
Transfer to other government entities	6	31,600,000		31,600,000
TOTAL PAYMENTS		158,310,681	96,412,037	278,599,862
SURPLUS/(DEFICIT)		36,152,966	131,080,602	96,050,492

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



Principal Secretary

Name: Amb. Kirima P. Kaberia, CBS



Project Coordinator

Name: Stephen Odua



Project Accountant

Name: Ruth M. Wanyonyi

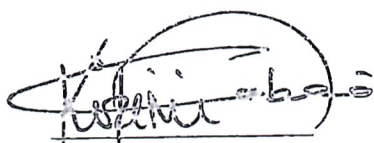
ICPAK Member Number: 13147

*Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
For the financial year ended June 30, 2021*

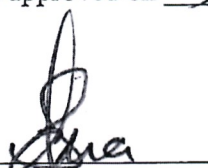
7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

	Note	2020-2021	2019-2020
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7.A	96,050,492	132,203,457
Cash Balances	7.B	-	-
Cash Equivalents (short-term deposits)	7.C	-	-
Total Cash and Cash Equivalents		96,050,492	132,203,457
Accounts receivables – Imprest and Advances	8	-	
TOTAL FINANCIAL ASSETS		96,050,492	132,203,457
REPRESENTED BY			
Fund balance b/fwd	9	132,203,457	1,122,856
Prior year adjustments			
Surplus/(Deficit) for the year	-	36,152,966	131,080,601
NET FINANCIAL POSITION		96,050,492	132,203,457

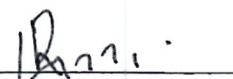
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 5th NOV 2021 and signed by:



Principal Secretary
Date



Project Coordinator
Date



Project Accountant
Date
ICPAK Member No.13147

**Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
For the financial year ended June 30, 2021**

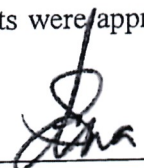
8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021

	Note	2020-20201 KShs	2019-2020 KShs
Receipts from operating activities			
Transfer from Government entities	1	19,657,450	50,000,000
Payments from operating activities			
Compensation of employees	3	17,750,000	11,160,000
Purchase of goods and services	4	108,960,681	79,223,928
Transfer to other government entities	6	31,600,000.00	
Adjustments during the year			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	8	-	
Increase/(Decrease) in Accounts Payable: (deposits and retention)			
Prior Year Adjustments			
Net cash flow from operating activities		- 138,653,231	- 40,383,928
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	5	-	6,028,109
Net cash flows from Investing Activities		- 138,653,231	- 46,412,037
CASHFLOW FROM BORROWING ACTIVITIES			
Loan from external development partners	2	102,500,265	177,492,639
Net cash flow from financing activities		102,500,265	177,492,639
NET INCREASE IN CASH AND CASH EQUIVALENT		- 36,152,966	131,080,601
Cash and cash equivalent at BEGINNING of the year		132,203,457	1,122,856.00
Cash and cash equivalent at END of the year		96,050,492	132,203,457

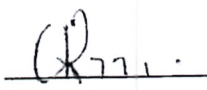
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 5/11/2021 2021 and signed by:



Principal Secretary
Date



Project Coordinator
Date



Project Accountant
Date


ICPAK Member No: 13147

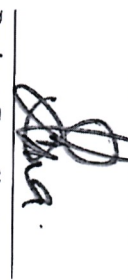
Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
For the financial year ended June 30, 2021

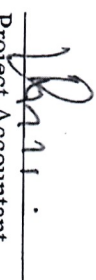
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual Comparable Basis d	Budget Difference e=a-d	Utilization %
Receipts						
Transfer from Government entities	29,574,458	-13,405,580	16,168,878	19,657,450	-3,488,572	122
Proceeds from borrowings	1,375,000,000	-876,732,817	498,267,183	102,500,265	395,766,918	21
Total Receipts	1,404,574,458	-890,138,397	514,436,061	122,157,715	392,278,346	24
Payments						
Compensation of employees	21,516,599		21,516,599	17,750,000	3,766,599	82
Purchase of goods and services	1,161,890,370	754,331,321	407,559,050	108,960,681	298,598,369	27
Transfer to other Government Entities	221,167,488	135,807,076	85,360,412	31,600,000	53,760,412	37
Total Payments	1,404,574,458	-890,138,397	514,436,061	158,310,681	356,125,380	31

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


Principal Secretary
Date


Project Coordinator
Date


Project Accountant
Date

ICPAK Member No: 13147

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.2 Statement of compliance and basis of preparation

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

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

10.3 Reporting entity

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

10.3.1 Reporting currency

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

10.4 Significant Accounting Policies

a) Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

b) Donations and grants

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

Significant Accounting Policies (Continued)

c) Proceeds from borrowing

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

d) Undrawn external assistance

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

e) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

Significant Accounting Policies (Continued)

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

f) In-kind donations

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

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

***Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
For the financial year ended June 30, 2021***

account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Restriction on cash

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

h) Accounts receivable

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

Significant Accounting Policies (Continued)

i)Contingent Liabilities

A contingent liability is:

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

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

The Project 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.

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

j) Contingent Assets

The 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 Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Pending bills

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



l) Budget

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

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

m) Third party payments

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

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

n) Exchange rate differences

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

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2021.

q) Errors

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

11. NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS FROM GOVERNMENT OF KENYA

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

	2020/2021	2019/20	Cumulative
	KShs	KShs	to-date (from inception)
<i>Counterpart funding through The National Treasury</i>			
Counterpart funds Quarter 1	9,930,000		9,930,000
Counterpart funds Quarter 2	5,628,300	7,856,054	13,484,354
Counterpart funds Quarter 3	4,099,150	5,883,136	9,982,286
Counterpart funds Quarter 4	-	36,260,810	61,260,810
Total	19,657,450	50,000,000	94,657,450

This is the counterpart funding which is the government's share of contribution towards the implementation of the project as mandated by the Project Agreement.

**Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
For the financial year ended June 30, 2021**

2. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

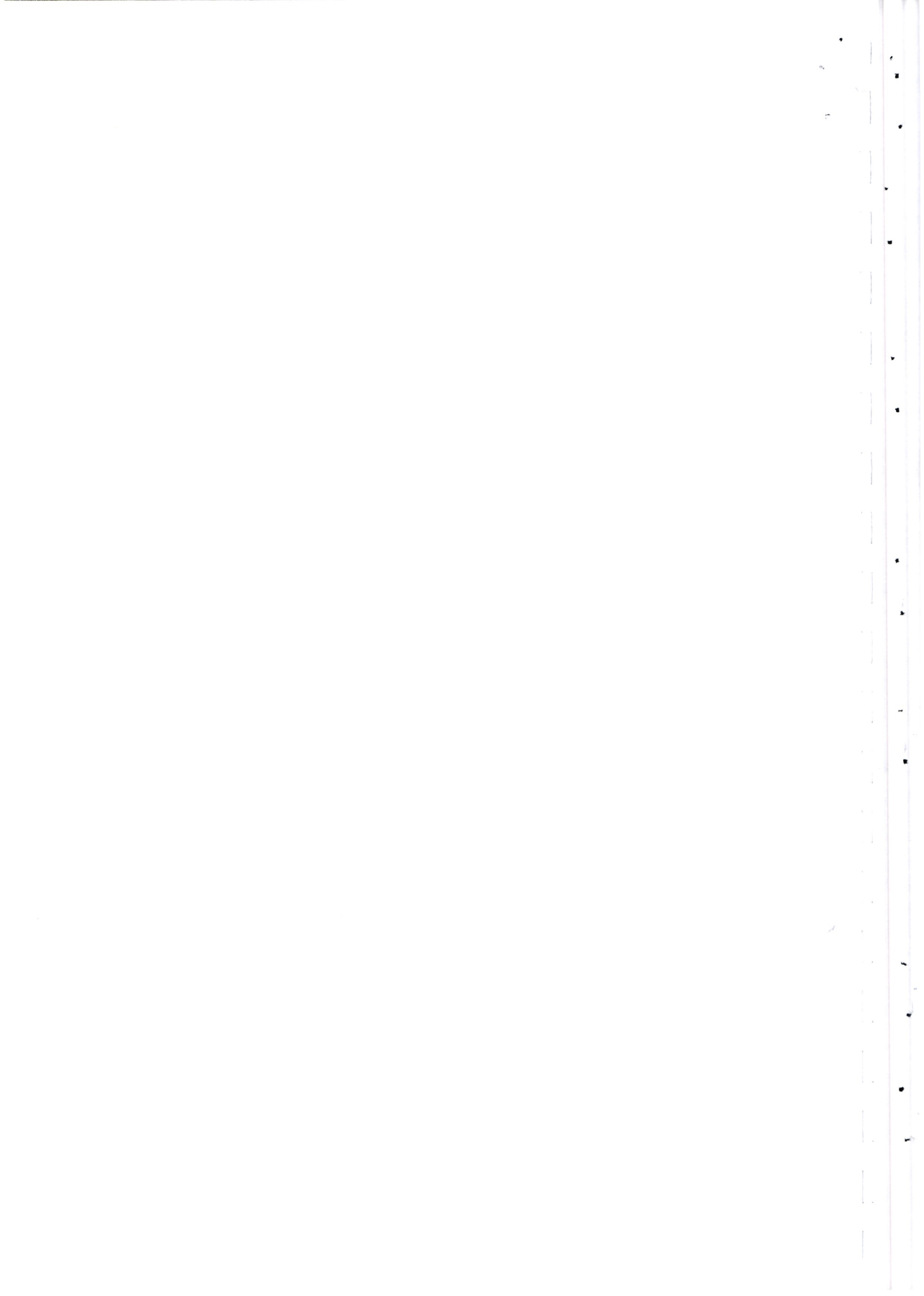
During the 12 months to 30 June 2021, we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan	Loans received in cash	Total amount in KShs	
		currency		2020/2021	2019/20
		EURO	KShs		
International Development Association(IDA)	26th March,2021	790,848.9	102,500,265	102,500,265	177,492,639
Total		790,849	102,500,265	102,500,265	177,492,639

3. COMPENSATION OF EMPLOYEES

	2020/21			2019/20	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Salaries to Consultants	17,750,000	-	17,750,000	11,160,000	35,550,000
Total	17,750,000	-	17,750,000	11,160,000	35,550,000

Salaries is for the three employees of the project who are directly involved in the daily running of the project i.e. project manager, ecosystem manager and SME Manager.



**Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
For the financial year ended June 30, 2021**

4. PURCHASE OF GOODS AND SERVICES

	2020/21		2019/20	Cumulative to- date
	Payments made by the Entity in Cash	Total Payments		
	KShs	KShs	KShs	KShs
Domestic travel and subsistence	23,563,750	23,563,750	61,640,262	97,434,956
Foreign travel and subsistence		-	1,558,690	1,558,690
Training payments		-	10,326,519	13,477,719
Hospitality supplies and services	2,584,410	2,584,410	4,745,700	9,185,110
Other operating payments	1,005,000	1,005,000	386,757	1,391,757
General office supplies		-	566,000	566,000
Fuel	100,000	100,000		100,000
Consultancy Services	79,148,797	79,148,797		79,148,797
Communication supplies and service-telephone configuration	29,640	29,640		29,640
Routine maintenance-office partition	2,529,084	2,529,084		2,529,084
Total	108,960,681	108,960,681	79,223,928	205,421,753

Consultancy services refers to funds we paid the consultant firms and one individual consultant in charge of environmental and social safeguard expert for the services rendered and milestones achieved.

5. ACQUISITION OF NON-FINANCIAL ASSETS

	2020/21			2019/20	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Purchase of household furniture & institutional equipment	-	-	-	60,250	60,250
Purchase of office furniture & general equipment	-	-	-	5,967,859	5,967,859
Total	-	-	-	6,028,109	6,028,109

6. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30 June 2021, we transferred funds to reporting government entities as shown below:

	2020/21			2019/20	Cumulative to-date
	Payments made by the Entity	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Transfers to National Government entities					
KENYA INDUSTRIAL ESTATE(KIE)	31,600,000		31,600,000		31,600,000
TOTAL	31,600,000		31,600,000		31,600,000

We have confirmed that the beneficiary institutions have received the funds and have recorded these as inter-entity receipts. We have attached these duly signed confirmations as an Appendix 5 to the financial statements.

7. CASH AND CASH EQUIVALENTS

	2020/2021	2019/20
	KShs	KShs
Bank accounts (Note 7.A)	96,050,492	132,203,457
Cash in hand (Note 7.B)	-	-
Cash equivalents (short-term deposits) (Note 7.C)	-	-

The project has 1 number of project accounts spread within the project implementation area and 1 number of foreign currency designated accounts managed by the National Treasury as listed below:



**Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
For the financial year ended June 30, 2021**

**7. A Bank Accounts
Project Bank Accounts**

	2020/2021	2019/20
	KShs	KShs
Local Currency Accounts		
Central Bank of Kenya [A/c NO.1000397144]	96,050,492	132,203,457
Total local currency balances	<u>96,050,492</u>	<u>132,203,457</u>
Total bank account balances	<u>96,050,492</u>	<u>132,203,457</u>

Special Deposit Accounts

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

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

Special Deposit Accounts Movement Schedule

	2020/2021	2019/2020
	KShs	KShs
(i) A/C Name [A/c No 1000395923]		
Opening balance	86,870.35	1,400,000.00
Total amount deposited in the account	786,947.88	241,420.30
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>790,848.90</u>	<u>1,554,549.95</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>82,969.33</u>	<u>86,870.35</u>

The Special Deposit Account reconciliation statement has been attached as *Appendix IV* supports these closing balances.

*Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
For the financial year ended June 30, 2021*

7. B Cash In Hand

As at 30th June 2021, there was no cash at hand.

7. C Cash equivalents (short-term deposits)

As at 30th June 2021, there was no any short –term deposits and the project does not own any account in any commercial banks.

8. ACCOUNTS RECEIVABLES

There were no outstanding imprests and salary advances as at 30th June 2021.

8B: BREAKDOWN OF IMPRESTS AND ADVANCES

No outstanding imprests at the end of the financial year

9. FUND BALANCE BROUGHT FORWARD

	2020/2021	2019/20
	KShs	KShs
Bank accounts	132,203,457	1,122,856
Total	132,203,457	1,122,856

10. CHANGES IN RECEIVABLE

There were no receivables and therefore no changes in receivables in the year ended 30th June 2021

*Kenya Industry & Entrepreneurship Project
 Reports and Financial Statements
 For the financial year ended June 30, 2021*

OTHER IMPORTANT DISCLOSURE

11. PENDING ACCOUNTS PAYABLE (See Annex 3A)

Description	Balance b/f FY 2019/2020 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2020/2021 Kshs
Supply of services	-	-	-	-
Power options limited		1,968,827		1,968,827
Burch's Resort		472,500		472,500
Traveller's beach Hotel		612,500		612,500
Supply of services				
Total	-	3,053,827	-	3,053,827

**Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
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1. EXTERNAL ASSISTANCE

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
External assistance received as loans	102,500,265	177,492,639
Total	102,500,265	177,492,639

a). External assistance relating loans and grants

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
External assistance received as loans	102,500,265	177,492,639
Total	102,500,265	177,492,639

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2020/2021	FY 2019/2020
Description		Kshs	Kshs
Undrawn external assistance - loans		4,438,899,156	4,541,399,422
Total		4,438,899,156	4,541,399,422

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c) Classes of providers of external assistance

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
Multilateral donors-IDA	102,500,265	177,492,639
Total	102,500,265	177,492,639

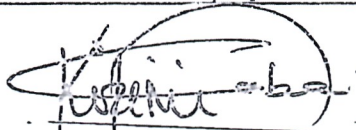
The reasons for external assistance is for Economic development.

**Kenya Industry & Entrepreneurship Project
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For the financial year ended June 30, 2021**

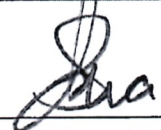
12. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1477	The were no material issues noted during the audit of the financial statements of the project.			
1478	Budgetary Control and Performance. The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of ksh. 230,000,000 and ksh. 227,492,638 respectively resulting in a shortfall of kshs. 2,507,362. Further, out of the budgeted amount of kshs. 230,000,000 only kshs. 96,412,036 was spent resulting to an under expenditure of kshs. 133,587,964 representing 58% of the estimated expenditure. The under expenditure of the approved budget indicates that some project activities in the annual work-plan were not implemented which is likely to have impacted negatively on services delivery to the public.	The shortfall was due lack of exchequer from The National Treasury, and it is true that we spent only ksh.96,412,036, the under expenditure was due to covid-19 challenges that some of the consultant contracts were never signed on time.	The matter was deliberated and resolved during PAC's meeting on 4 th August,2021.	


Principal Secretary

5th Nov. 2021
Date


Project Coordinator

5/11/2021
Date

*Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
For the financial year ended June 30, 2021*

13. ANNEXES

ANNEX1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (be low 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	16,168,878	19,657,450	-	122	(i)
Proceeds from borrowings	498,267,183	102,500,265	395,766,918	21	(ii)
Total Receipts	514,436,061	122,157,715	392,278,346	24	
Payments					
Compensation of employees	21,516,599	17,750,000	3,766,599	82	(iii)
Purchase of goods and services	407,559,050	108,960,681	298,598,369	27	(iv)
Transfers to other government entities	85,360,412	31,600,000	53,760,412	37	(v)
Total payments	514,436,061	158,310,681	356,125,380	31	

i) Initially we had received a budget of ksh. 29,574,458 and already we had received and utilized exchequer of ksh.19, 657,450 for GOK counterpart, later the budget was cut under supplementary II to 16,168,878. However, the variance was reconciled by rationalization of the state department budget thus the utilization of the GOK Development budget of the State Department was not over above the final approved budget.

ii) Most of the consultant contracts and approval of milestone reports were not done in time due to covid -19 challenges

***Kenya Industry & Entrepreneurship Project
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For the financial year ended June 30, 2021***


- iii) The variance was due to delays in finalization of the contracts of individual consultants due to Covid-19 challenges
- iv) Disbursements to SMEs were not done due to change of procedure that required direct payments by the project as per the PFMA.
- v) Funds were meant for Transfer to other Government entities but due to Covid- 19 challenges the MOU's not signed on time.

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

ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS

PROJECT NAME:			
Break down of Transfers from the State Department of Industrialization			
a. DONOR FUNDS	<u>Bank Statement</u> Date	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
Kenya Industrial Estate Limited	20/4/2021	31,600,000	Fin year 2020/2021
	Total	31,600,000	

Project Coordinator
KIEP PROJECT
Sign -----


Head of Accounting Unit
State Department for Industrialization
Sign-----


**Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
For the financial year ended June 30, 2021**

ANNEX 3A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
	a	b	c	d=a-c		
Construction of buildings						
Power option limited	4,499,500	26/5/2020	2,529,084	1,968,827		contract was for partitioning kiep offices
Sub-Total	4,499,500		2,529,084	1,968,827		
Supply of services						
Burch's Resort	472,500	4/4/2021	-	472,500		Conference facilities
Traveller's beach	612,500	11/12/2020	-	612,500		Conference facilities
Sub-Total			-	1,085,000		
Grand Total			2,529,084	3,053,827		

*Kenya Industry & Entrepreneurship Project
Reports and Financial Statements
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ANNEX 4 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Opening Cost (KShs) 2020/2021	Donations in form of assets (KShs) 2020/2021	*Purchase s/ Additions in the Year (KShs) 2020/2021	**Disposals in the Year (KShs) 2020/2021	Transfers in/(out) Kshs 2020/2021	Closing Cost (KShs) 2020/2021
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)- (d)+(-)d
Office equipment, furniture and fittings	60,250	0	0	0	0	60,250
ICT Equipment,	5,967,859	0	0	0	0	5,967,859
Total	6,028,109	0	0	0	0	6,028,109

There was no additional acquisition of assets during the year as at 30th June,2021.

APPENDICES

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2021
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. **GOK IFMIS comparison Trial Balance**



KENYA INDUSTRIAL ESTATES LIMITED

Telephone: 6651348/53
Fax: 651355
Email: admin@kie.co.ke
Website: www.kie.co.ke
Pin No: P000595153A

HEADQUARTERS
LIKONI/LUSINGETI ROAD
P.O. BOX 78029-00507
NAIROBI, KENYA
VAT No: 0192832A

Our Ref: PON/Budget/Vol.10/034

Date: 15th July, 2021

The Principal Secretary,
State Department for Industrialization,
Ministry of Industrialization, Trade & Enterprise Development,
P.O Box 30547-00100,
NAIROBI.

Attention: Ruth Wanyonyi

Dear Madam,


CONFIRMATION OF AMOUNT RECEIVED IN 4TH QUARTER IN RESPECT OF KIEP PROJECT

We refer to the above captioned subject matter.

This is to confirm that we received Kshs. 31,600,000.00 in 4th Quarter in respect of
KIEP Project.

Thank you.

Yours faithfully,


CHARLES M. MATIVO
FINANCE MANAGER
FOR: MANAGING DIRECTOR

STATE
DEPT FOR
INDUSTRIALIZATION
KENYA

CENTRAL
BANK OF
KENYA

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

July 8, 2021

CERTIFICATE OF BALANCES

Customer : 138674
Balance
Date: 30-Jun-21

STATE DEPT FOR
INDUSTRIALIZATION

Account No	Account Name	Currency	Balance
1000384484	REC-STATE DEPT FOR INDUSTRIALIZA	KES	13,320,444.30
1000384506	DEP-STATE DEPT FOR INDUSTRIALIZA	KES	6,934,612.75
1000384514	DEV-STATE DEPT FOR INDUSTRIALIZA	KES	4,899,330.00
1000384522	C.BK165-STATE DEPT FOR INDUSTRIALI	KES	-
1000393758	KEPTAP GRANT NO TFOA 3418 - KE	KES	-
1000393777	KEPTAP CREDIT NO 5526- KE	KES	1,102.65
1000397144	KENY INDUST. & ENTREP. PRJ CR 6268	KES	97,786,892.00


LAWRENCE RWERIA
AUTHORISED SIGNATORY
BANKING SERVICES





JOYCE NASIEKU (Ms)
AUTHORISED SIGNATORY
BANKING SERVICES

REPUBLIC OF KENYADate: 1ST JULY 2021

KENY INDUST. & ENTREP. PRJ CR6268 ACCOUNT: 1000397144

Report of the Board of Survey on the Cash and Bank Balances of State Department for Industrialization as at the close of business on 30th June, 2021

The Board, consist of – (Names and Official titles)

- | | | |
|--|----------|---|
| 1. GREGORY OKAL ONYANGO - UNDER SECRETARY | Chairman |  |
| 2. MUTIE NZAU - SENIOR PRINCIPAL FINANCE OFFICER | Member |  |
| 3. JECINTER AUMA OBONDI – SENIOR ACCOUNTANT | Member |  |

Assembled at the office of the Cashier at 8.00am on the 1st July, 2021 and the following cash was produced

And the following cash was produced:-

Notes	ksh. NIL
Silver	Ksh. NIL
Copper	Ksh. NIL
Cheques (as per details on reverse)	Ksh. NIL

The cash book reflected the following balances at the close of business on the 30th June 2021.

Cash Balance	Ksh. NIL
Bank Balance	Ksh. 96,050,492.00
Total Balance	Ksh. 96,050,492.00


The Bank Certificate of Balance showed a sum of Kshs. 97,786,892.00 Standing to the credit of the account on 30-06-2021.


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


Date 1/07/2021

CHAIRMAN:

MEMBERS OF THE BOARD







BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 7860000. Fax: 340192

July 8, 2021

CERTIFICATE OF BALANCES

Customer : 138674
Balance
Date: 30-Jun-21

STATE DEPT FOR
INDUSTRIALIZATON

Account No	Account Name	Currency	Balance
1000384484	REC-STATE DEPT FOR INDUSTRIALIZA	KES	13,320,444.30
1000384506	DEP-STATE DEPT FOR INDUSTRIALIZA	KES	6,934,612.75
1000384514	DEV-STATE DEPT FOR INDUSTRIALIZA	KES	4,899,330.00
1000384522	CBK165-STATE DEPT FOR INDUSTRIALI	KES	
1000393758	KEPTAP GRANT NO TFOA 3418 - KE	KES	-
1000393777	KEPTAP CREDIT NO 5526- KE	KES	1,102.65
1000397144	KENY INDUST. & ENTREP. PRJ CR 6268	KES	97,786,892.00

LAWRENCE RWERIA
AUTHORISED SIGNATORY
BANKING SERVICES

JOYCE NASIEKU (Ms)
AUTHORISED SIGNATORY
BANKING SERVICES

PAYMENT IN CASH BOOK NOT IN BANK

2-Jul-21	FT21183XSOP0	Withholding Tax	28,965.50
5-Jul-21	FT211866PKZ4	Falcon Heights Management Company L	1,651,034.50
8-Jul-21	FT21189SNPRR	SAMUEL OWOKO OTIENO	56,400.00

TOTAL

1,736,400.00

PAYMENT IN BANK NOT IN CASH BOOK

TOTAL

-

RECEIPTS IN BANK NOT IN CASH BOOK

TOTAL:

-

RECEIPTS IN CASH BOOK NOT IN BANK

TOTAL

-



41

**KENYA INDUSTRY & ENTREPRENEURSHIP PROJECT
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2021**

Credit No.: IDA LOAN CREDIT NO.62680-KE (DA-A)

Bank Account No.: 1000395923 Held with Central Bank of Kenya

		NOTES	AMOUNT EURO	AMOUNT EURO
1	Amount advanced by IDA			2,428,368.18
	Less:			
2	Total amount documented			1,028,368.18
3	Outstanding amount to be documented			1,400,000.00
	Represented by:			
4	Ending Special account Balance as at 30 June 2021			82,969.33
5	Amounts claimed but not credited as at 30 June 2021			-
6	Amounts withdrawn and not claimed			1,317,030.67
7	Service Charges (if not included in lines 5 and 6 above)			-
8	Interest earned (if included in Special Account)			-
9	Total advance to Special Account Year ended 30 June 2021			1,400,000.00


Discrepancy between total appearing on line 3 and 9

-

Notes:

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

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


AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 30.07.2021

SPECIAL ACCOUNT STATEMENT

For period ending	30TH JUNE, 2021
Account No.	1000395923
Depository Bank	CENTRAL BANK OF KENYA
Address	CBK
Related Loan	(K) INDUSTRY & ENTREPRENEURSHIP PRJ
Credit Agreement	
Currency	EUR

Part A - Account Activity

Beginning balance of 1st July, 2020 as per C.B.K. Ledger Account	86,870.35
Add:	
Total Amount deposited by World Bank	786,947.88
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	790,848.90
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June,2021	82,969.33

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: _____

DATE _____

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: *[Signature]*

DATE: 30.07

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June,2021 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O. BOX 30009-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2020 To

STATEMENT OF ACCOUNT

ACCOUNT NUMBER : 1000395923

ACCOUNT TITLE : (K) INDUSTRY & ENTREPRENEURSHIP PRJ
 30/06/2021

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE	
OPENING BAL :			86,870.35			
NO.	Value Date	Reference No	Details	Debit	Credit	Balance
1	17/08/2020	FT202304SSR9	FUNDING	0.00	173,033.84	259904.19
2	19/11/2020	FT20324405VZ	(K) INDUST FUND	0.00	25,167.81	285072
3	23/02/2021	FT210541F3GX	(K) INDUST FUND	0.00	505,776.90	790848.9
4	29/03/2021	FT21083JJBXX	P.A125907	-790,848.90	0.00	0
5	27/05/2021	FT211477YMPJ	FUNDING	0.00	82,969.33	82969.33

CURRENT FINANCE: 82969.33

AMOUNT PAID BY CLIENT

Favourites

TAM E STMT OF ACCT EPRM

Merge Options
 Clear Selection Find

Account equals 1000395923
 Statement From equals 20200701
 Statement To equals 20210630

TAM E STMT OF ACCT EPRM

Client: **Kenya**

Loan: IDA 62680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P161317 - Kenya Industry and Entrepreneurship

[Loan Overview](#) | [Disbursements](#) | [History](#) | [Repayments](#) | [Amortization Schedule](#) | [Audit Submission](#)

Important Dates

Approval	Signing	Commitment Charges Start Date	Effective	First Repayment	Closing	Application Deadline	Last Repayment
15-Jun-2018	03-Aug-2018	02-Oct-2018	28-Nov-2018	15-Sep-2023	31-Dec-2024	30-Apr-2025	15-Mar-2048

Currency of Commitment : EUR

Show amounts in EUR



Disbursed 6.3% Undisbursed 93.7%

Loan Information (EUR)

Signed Amount	41,400,000.00
Cancelled	0.00
Disbursed	2,428,368.18
Undisbursed	38,971,631.82
Special Commitments	0.00
Funds Available	38,971,631.82

Funds Available (EUR)

Withdrawal Applications	0.00
Special Commitment Issuance Applications	0.00
Estimated Funds Available	38,971,631.82

Last Bill, IDA 62680, due on 15-Sep-2021

8,000,000.00

Retroactive Available

Borrower: The National Treasury and Planning

Date Payable	Currency	Amount Payable
15-Sep-2021	EUR	17,467.88

Retroactive Limit 8,000,000.00

Retroactive Disbursed 0.00

Period of Retroactivity 01-May-2018 to 02-Aug-2018

2,428,368.18

1.42 %

0.00 %

Principal Outstanding

Total Charges

Net Commitment Fee

Disbursed

Service Charge

1.42 %

Commitment Fee

0.50 %

Loan: IDA 62680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P161317 - Kenya Industry and Entrepreneurship

[Loan Overview](#) | [Disbursements](#) | [History](#) | [Repayments](#) | [Amortization Schedule](#) | [Audit Submission](#)

[Applications](#) | [eSignatorie\(s\)](#) | [Beneficiaries](#) | [Contracts](#) | [Designated/UN Accounts](#) | [Category Schedule](#) |

Designated Account Detail- DA-A

Account Details

Account Holder	KENYA INDUSTRY AND ENTREPRENEURSHIP	DA Currency	EUR
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	2,500,000.00
Account Number	XXXXXXXX23	Associated Categories	1 - (Gds,Wks,NCS,CS,Incnt Pym,Trg&OC)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	

Transaction Details

Current (EUR) View Transaction List

Total Deposits Less Refunds	2,428,368.18
Documented	1,028,368.18
Outstanding Balance	1,400,000.00
Waived Documentation Amount	0.00
Transaction in Process	0.00

B/2/2021

eBusiness

2,428,368.18		Waiver	0.00 %	Waiver	0.00 %
Repaid	0.00	Interest Waiver Status	Ineligible		
Prepaid	0.00	Rate Reset Date	03-Aug-2018		
Regular Repayments	0.00				

USD Equivalents

Original Approved Amount	50,000,000.00
Current Undisbursed	46,384,036.19
Historical Disbursed	2,806,483.24

Reference Information

Lending Instrument :	IPF - Investment Project Financing	Maturity Type :	IDAS_30
Loan Type :	IDA - IDA Credit	Maturity Profile :	STANDARD
Borrower of Record :	The National Treasury and Planning		
Guarantor :	Kenya		
Loan Term :	30 Years		
Grace Period :	5 Years		

Loan: IDA 62680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P161317 - Kenya Industry and Entrepreneurship

Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Audit Submission

Applications | eSignatorie(s) | Beneficiaries | Contracts | Designated/UN Accounts | Category Schedule |

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 15-Jun-2018	Loan Signing Date 03-Aug-2018	Loan Made Effective 28-Nov-2018	Authorized Signatories Submitted to WB 21-Jul-2021	Authorized Signatories Approved 21-Jul-2021	Loan is Ready for Disbursing Online 02-Aug-2021
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Showing 77 items. Showing 1 - 8 of 8 entries

Transaction List

Showing results 1 - 8 of 8 entries

Filter by DA-A

Paid Summary Value Date

Search

Borrower Reference	Application				Paid						
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
WA8	DA-A	Completed	EUR	82,969.33	1	EUR	82,969.33	21-May-2021	26-May-2021	Borrower	26-May-2021
WA7	DA-A	Completed	EUR	505,776.90	1	EUR	505,776.90	17-Feb-2021	22-Feb-2021	Borrower	22-Feb-2021
WA6	DA-A	Completed	EUR	25,167.81	1	EUR	25,167.81	13-Nov-2020	18-Nov-2020	Borrower	18-Nov-2020
WA5	DA-A	Completed	EUR	173,033.84	1	EUR	173,033.84	11-Aug-2020	14-Aug-2020	Borrower	14-Aug-2020
WA4	DA-A	Completed	EUR	86,870.35	1	EUR	86,870.35	27-Apr-2020	30-Apr-2020	Borrower	30-Apr-2020
WA3	DA-A	Completed	EUR	103,927.44	1	EUR	103,927.44	06-Feb-2020	11-Feb-2020	Borrower	11-Feb-2020
WA2-P	DA-A	Completed	EUR	50,622.51	1	EUR	50,622.51	11-Nov-2019	15-Nov-2019	Borrower	15-Nov-2019
MOITC-WA1	DA-A	Completed	EUR	1,400,000.00	DA-A	EUR	1,400,000.00	24-Jun-2019	27-Jun-2019	Borrower	27-Jun-2019

Loan: IDA 62680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P161317 - Kenya Industry and Entrepreneurship

[Loan Overview](#) | [Disbursements](#) | [History](#) | [Repayments](#) | [Amortization Schedule](#) | [Audit Submission](#)

[Applications](#) | [eSignatorie\(s\)](#) | [Beneficiaries](#) | [Contracts](#) | [Designated/UN Accounts](#) | [Category Schedule](#) |

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 15-Jun-2018	Loan Signing Date 03-Aug-2018	Loan Made Effective 28-Nov-2018	Authorized Signatories Submitted to WB 21-Jul-2021	Authorized Signatories Approved 21-Jul-2021	Loan is Ready for Disbursing Online 02-Aug-2021
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[View Withdrawal Application](#)

Transaction List

Showing results 1 - 8 of 8 entries

Filter by DA-A

Documented E

Value Date

Search

Borrower Reference	Application					Paid					Logged by	Last Updated
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date			
WA8	DA-A	Completed	EUR	82,969.33	1	EUR	82,969.33	21-May-2021	26-May-2021	Borrower	26-May-2021	
WA7	DA-A	Completed	EUR	505,776.90	1	EUR	505,776.90	17-Feb-2021	22-Feb-2021	Borrower	22-Feb-2021	
WA6	DA-A	Completed	EUR	25,167.81	1	EUR	25,167.81	13-Nov-2020	18-Nov-2020	Borrower	18-Nov-2020	
WA5	DA-A	Completed	EUR	173,033.84	1	EUR	173,033.84	11-Aug-2020	14-Aug-2020	Borrower	14-Aug-2020	
WA4	DA-A	Completed	EUR	86,870.35	1	EUR	86,870.35	27-Apr-2020	30-Apr-2020	Borrower	30-Apr-2020	
WA3	DA-A	Completed	EUR	103,927.44	1	EUR	103,927.44	06-Feb-2020	11-Feb-2020	Borrower	11-Feb-2020	
WA2-P	DA-A	Completed	EUR	50,622.51	1	EUR	50,622.51	11-Nov-2019	15-Nov-2019	Borrower	15-Nov-2019	
MOITC-WA1	DA-A	Completed by WB	EUR	1,400,000.00	DA-A	EUR	0.00	18-Jun-2019		John Muinami	27-Jun-2019	

STATE DEPARTMENT OF INDUSTRIALIZATION			
KENYA INDUSTRY & ENTREPRENURSHIP PROJECT TRIAL BALANCE FOR THE			
YEAR ENDED 30TH JUNE 2021			
Sr. No	PARTICULARS	AMOUNT	
		DR	CR
1	Compensation of employees	17,750,000	-
2	Purchase of goods and services	108,960,680.60	-
3	Transfer to Other Government Entity	31,600,000	-
4	Transfer from Government entities	-	19,657,450
5	Loan from external developmen partners	-	102,500,265.10
7	Bank balance	96,050,491.95	-
8	Accounts Receivable		
9	Fund Balance b/fwd		132,203,457.45
	Total	254,361,173	254,361,173



Trial Balance Comparison Report

Entity: 1175-State Department for Industrialization

Current Period: JUL-20 To JUN-21

Compare With: JUL-19 To ADJ2-20

Account No and Description	Current Period		Previous period	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
	Kshs	Kshs	Kshs	Kshs
110101 Basic Salaries - Civil Service	246,970,039.25	0.00	250,212,220.45	0.00
110100 Basic Salaries - Permanent Employees	246,970,039.25	0.00	250,212,220.45	0.00
2110301 House Allowance	91,521,906.35	0.00	104,877,605.35	0.00
110305 Prosecutorial and State Counsel Allowance	2,279,999.65	0.00	2,599,997.00	0.00
110307 Hardship Allowance	1,645,159.00	0.00	2,299,999.00	0.00
2110309 Special Duty Allowance	6,049,464.55	0.00	7,545,700.55	0.00
2110311 Transfer Allowance	2,199,999.65	0.00	2,832,459.00	0.00
110312 Responsibility Allowance	3,058,777.00	0.00	1,299,994.00	0.00
110313 Entertainment Allowance	1,696,500.00	0.00	2,662,817.15	0.00
110314 Transport Allowance	38,786,464.25	0.00	28,971,269.65	0.00
2110315 Extremous Allowance	1,560,399.65	0.00	2,799,998.45	0.00
2110317 Domestic Servant Allowance	368,334.50	0.00	194,680.00	0.00
110318 n Practising Allowance	1,684,475.00	0.00	1,997,166.00	0.00
110320 Leave Allowance	5,135,507.05	0.00	7,142,198.45	0.00
110327 Ministerial Allowance	3,586,602.85	0.00	0.00	0.00
2110336 Car Purchase Allowance	0.00	0.00	24,000,000.00	0.00
2110300 Personal Allowances paid as part of salary	159,573,589.50	0.00	189,223,884.60	0.00
110403 Refund of Medical Expenses - ex-Gratia	0.00	0.00	186,645.75	0.00
2110400 Personal Allowances paid as Reimbursements	0.00	0.00	186,645.75	0.00
110000 Wages and Salary Contributions	406,543,628.75	0.00	439,622,750.80	0.00
210101 Electricity	15,718,936.05	0.00	15,780,859.15	0.00
210102 Water and Sewerage Charges	17,936,766.70	0.00	18,075,053.10	0.00
2210100 Utilities, Supplies and Services	33,655,702.75	0.00	33,855,912.25	0.00
2210201 Telephone, Telex, Facsimile and Mobile Phone Services	1,163,504.50	0.00	2,082,411.95	0.00
210202 Internet Connections	196,958.95	0.00	556,495.85	0.00
210203 Courier & Postal Services	36,116.05	0.00	149,048.55	0.00
2210204 Leased Communication Lines	17,986.00	0.00	56,431.00	0.00
2210200 Communication, Supplies and Services	1,414,565.50	0.00	2,844,387.35	0.00
210301 Travel Costs (airlines, bus, railway, mileage allowances, etc.)	3,666,623.05	0.00	12,301,085.30	0.00
2210302 Accommodation - Domestic Travel	1,590,035.50	0.00	8,681,984.15	0.00
2210303 Daily Subsistence Allowance	1,391,585.85	0.00	7,383,052.10	0.00
210304 Sundry Items (e.g. airport tax, taxis, etc?)	222,852.50	0.00	652,480.00	0.00
2210307 Passage & Transfer Expenses	0.00	0.00	16,345.00	0.00
2210300 Domestic Travel and Subsistence, and Other Transportation Costs	6,873,096.90	0.00	29,034,946.55	0.00
210401 Travel Costs (airlines, bus, railway, etc.)	611,400.00	0.00	5,925,572.00	0.00
2210402 Accommodation	233,100.00	0.00	1,543,128.00	0.00
2210403 Daily Subsistence Allowance	125,000.00	0.00	1,813,967.00	0.00
2210404 Sundry Items (e.g. airport tax, taxis, etc?)	85,100.00	0.00	42,830.00	0.00
210400 Foreign Travel and Subsistence, and other transportation costs	1,054,600.00	0.00	9,325,497.00	0.00
2210501 International News Services	2,821.75	0.00	7,120.00	0.00
2210502 Publishing & Printing Services	146,942.95	0.00	1,015,421.00	0.00
210503 Subscriptions to Newspapers, Magazines and Periodicals	134,886.20	0.00	1,272,753.80	0.00
2210505 Trade Shows and Exhibitions	795,050.00	0.00	1,287,773.00	0.00
2210500 Printing, Advertising and Information Supplies and Services	1,079,700.90	0.00	3,583,067.80	0.00
210603 Rents and Rates - Non-Residential	115,837,202.25	0.00	116,405,055.20	0.00
210604 Hire of Transport, Equipment	2,173,480.00	0.00	2,120,000.00	0.00
2210600 Rentals of Produced Assets	118,010,682.25	0.00	118,525,055.20	0.00
2210701 Travel Allowance	576,204.75	0.00	14,682,029.00	0.00
210702 Remuneration of Instructors and Contract Based Training Services	11,456,300.00	0.00	7,315,417.00	0.00
210703 Production and Printing of Training Materials	1,848,802.50	0.00	521,911.70	0.00



Account No and Description	Current Period		Previous period	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
210704 Hire of Training Facilities and equipment	375,000.00	0.00	326,591.45	0.00
210705 Field Training Attachments	9,225.00	0.00	12,362.00	0.00
2210706 Book Allowance	15,000.00	0.00	35,620.00	0.00
2210707 Project Allowance	19,000.00	0.00	34,220.00	0.00
210708 Trainer Allowance	0.00	0.00	10,800.00	0.00
210710 Accommodation Allowance	128,500.00	0.00	292,530.00	0.00
210711 Tuition Fees Allowance	766,350.00	0.00	1,835,356.00	0.00
2210700 Training Expenses	15,194,382.25	0.00	25,066,837.15	0.00
2210801 Catering Services (receptions), accommodation, Gifts, Food and Drinks	958,513.20	0.00	8,344,429.20	0.00
210802 Boards, Committees, Conferences and Seminars	1,134,191.25	0.00	1,649,003.00	0.00
2210805 National Celebrations	74,000.00	0.00	155,796.60	0.00
2210808 Purchase of Coffins	31,500.00	0.00	43,017.00	0.00
210800 Hospitality Supplies and Serv	2,198,204.45	0.00	10,192,245.80	0.00
211001 Medical Drugs	5,499,120.00	0.00	5,050,230.00	0.00
211002 Dressings and Other Non-Pharmaceutical Medical Items	2,289,691.00	0.00	1,097,153.50	0.00
2211004 Fungicides, Insecticides and Sprays	1,482,963.75	0.00	1,541,300.00	0.00
211005 Chemicals and Industrial Gases	54,478.75	0.00	89,148.00	0.00
211006 Purchase of Workshop Tools, Spares and Small Equipment	1,767,748.00	0.00	1,865,450.00	0.00
2211009 Education and Library Supplies	6,317,081.95	0.00	7,114,372.10	0.00
2211010 Supplies for Broadcasting and Information Services	308,076.00	0.00	390,024.00	0.00
211011 Purchase/Production of Photographic and Audio-Visual Materials	396,796.00	0.00	591,681.00	0.00
2211015 Foods and Rations	61,733,245.00	0.00	43,296,240.00	0.00
2211016 Purchase of Uniforms and Clothing - Staff	1,775,648.00	0.00	1,510,157.00	0.00
211023 Supplies for Production	11,500,000.00	0.00	17,067,419.00	0.00
211000 Specialised Materials and Supp	93,124,848.45	0.00	79,613,174.60	0.00
2211101 General Office Supplies (papers, pencils, forms, small office equipment etc)	8,642,522.60	0.00	8,493,290.10	0.00
211102 Supplies and Accessories for Computers and Printers	1,782,649.05	0.00	1,573,778.00	0.00
2211103 Sanitary and Cleaning Materials, Supplies and Services	118,733.35	0.00	433,979.85	0.00
2211100 Office and General Supplies and Services	10,543,905.00	0.00	10,501,047.95	0.00
211201 Refined Fuels and Lubricants for Transport	3,457,013.70	0.00	4,885,499.20	0.00
2211202 Refined Fuels and Lubricants for Production	386,930.40	0.00	763,284.35	0.00
211203 Refined Fuels and Lubricants -- Other	409,101.20	0.00	818,731.90	0.00
211204 Other Fuels (wood, charcoal, cooking gas etc?)	126,417.00	0.00	143,655.00	0.00
2211200 Fuel Oil and Lubricants	4,379,462.30	0.00	6,611,170.45	0.00
2211301 Bank Service Commission and Charges	1,209,805.55	0.00	189,308.50	0.00
211305 Contracted Guards and Cleaning Services	22,546,525.20	0.00	22,824,598.15	0.00
2211306 Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	990,800.00	0.00	632,060.00	0.00
211310 Contracted Professional Services	0.00	0.00	20,634,518.00	0.00
2211311 Contracted Technical Services	0.00	0.00	0.00	0.00
2211321 Parking charges	1,255,274.30	0.00	1,253,670.75	0.00
211323 Laundry Expenses	97,506.90	0.00	102,433.00	0.00
211329 HIV AIDS Secretariat workplace Policy Development	79,200.00	0.00	92,000.00	0.00
2211300 Other Operating Expenses	26,179,111.95	0.00	45,728,588.40	0.00
2210000 Goods and Services	313,708,262.70	0.00	374,881,930.50	0.00
2220101 Maintenance Expenses - Motor Vehicles	6,699,103.70	0.00	4,242,092.95	0.00
220100 Routine Maintenance - Vehicles	6,699,103.70	0.00	4,242,092.95	0.00
2220201 Maintenance of Plant, Machinery and Equipment (Including lifts)	95,034.35	0.00	427,793.70	0.00
2220202 Maintenance of Office Furniture and Equipment	385,334.10	0.00	717,540.95	0.00
2220204 Maintenance of Buildings -- Residential	350,488.80	0.00	71,867.00	0.00
2220205 Maintenance of Buildings and Stations -- Non-Residential	161,471.00	0.00	1,236,977.00	0.00
2220209 Minor Alterations to Buildings and Civil Works	608,000.00	0.00	1,473,243.00	0.00



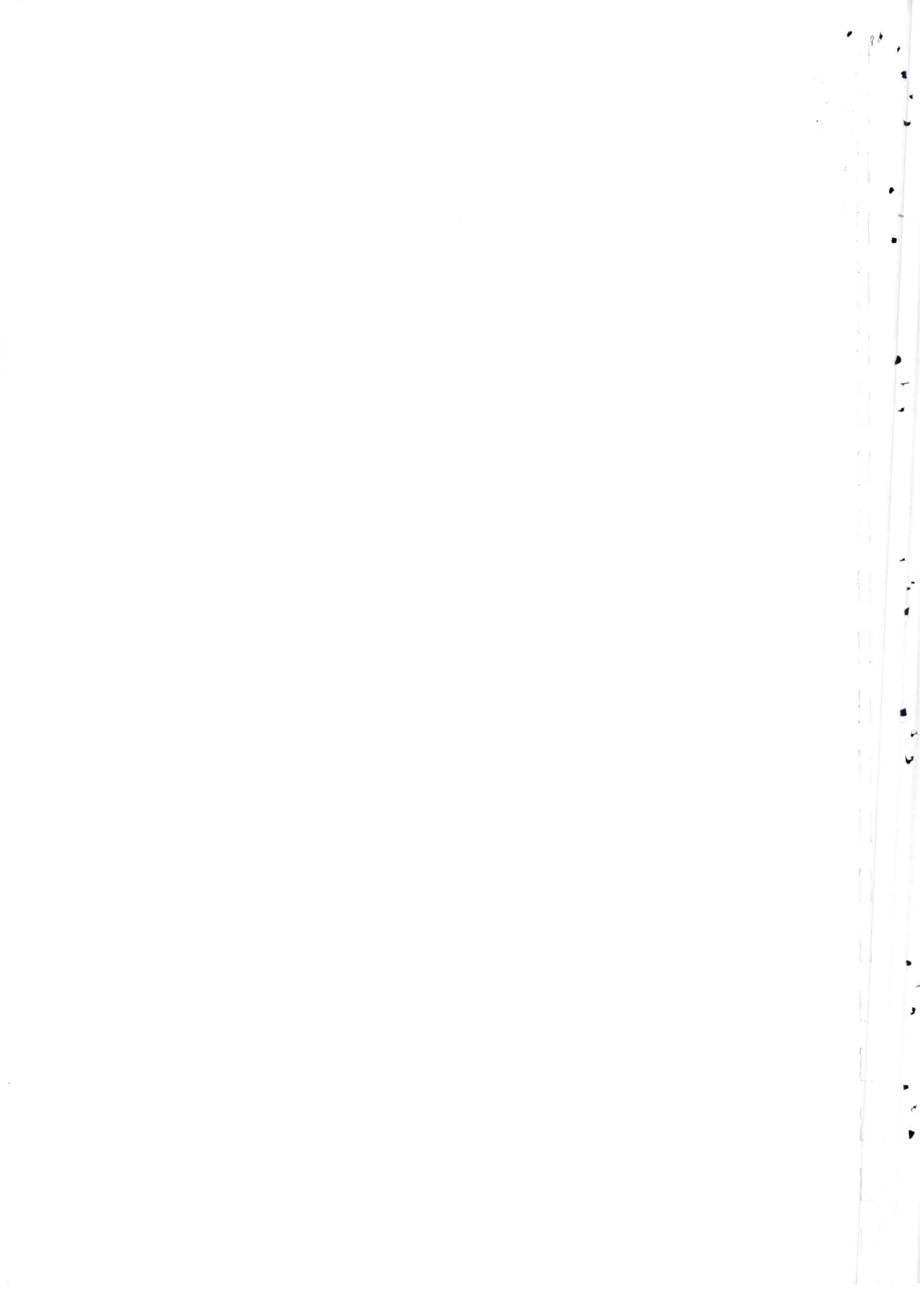
Account No and Description	Current Period		Previous period	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
2220210 Maintenance of Computers, Software, and Networks	73,365.00	0.00	643,283.20	0.00
2220200 Routine Maintenance - Other Assels	1,673,693.25	0.00	4,570,704.85	0.00
2220000 Routine Maintenance	8,372,796.95	0.00	8,812,797.80	0.00
2630101 Current Grants to Semi-Autonomous Government Agencies	1,473,279,193.00	0.00	1,884,095,000.00	0.00
2630100 Current Grants to Government Agencies and other Levels of Government	1,473,279,193.00	0.00	1,884,095,000.00	0.00
2630201 Capital Grants to Semi-Autonomous Government Agencies	2,105,187,546.80	0.00	6,231,820,254.00	0.00
2630200 Capital Grants to Government Agencies and other Levels of Government	2,105,187,546.80	0.00	6,231,820,254.00	0.00
2630000 Grants & Transfer To Other Govt. Units	3,578,466,739.80	0.00	8,115,915,254.00	0.00
2710102 Gratuity - Civil Servants	3,500,392.30	0.00	175,364.55	0.00
2710100 Government Pension and Retirement Benefits	3,500,392.30	0.00	175,364.55	0.00
2710000 Social Security Benefits	3,500,392.30	0.00	175,364.55	0.00
3110301 Refurbishment of Residential Buildings	266,022.75	0.00	1,319,321.00	0.00
3110302 Refurbishment of Non-Residential Buildings	266,018.00	0.00	1,319,321.00	0.00
3110300 Refurbishment of Buildings	532,040.75	0.00	2,638,642.00	0.00
3110504 Other Infrastructure and Civil Works	25,000,000.00	0.00	0.00	0.00
3110500 Construction and Civil Works	25,000,000.00	0.00	0.00	0.00
3110701 Purchase of Motor Vehicles	45,000,000.00	0.00	0.00	0.00
3110700 Purchase of Vehicles and Other Transport Equipment	45,000,000.00	0.00	0.00	0.00
3111001 Purchase of Office Furniture and Fittings	498,613.40	0.00	489,167.00	0.00
3111000 Purchase of Office Furniture and General Equipment	498,613.40	0.00	489,167.00	0.00
3111401 Pre-feasibility, Feasibility and Appraisal Studies	188,275,490.30	0.00	127,370,633.90	0.00
3111400 Research, Feasibility Studies, Project Preparation and Design, Project Supervision	188,275,490.30	0.00	127,370,633.90	0.00
3110000 Acquisition of Fixed Capital Assets	259,306,144.45	0.00	130,498,442.90	0.00
3520304 Sale of Goods and Fees for Services	0.00	26,434,832.00	0.00	26,962,245.00
3520300 Receipts from the Sale of Inventories, Stocks and Commodities	0.00	26,434,832.00	0.00	26,962,245.00
3520000 Receipts from Sales of Inventories	0.00	26,434,832.00	0.00	26,962,245.00
5120201 Borrowing from Foreign Governments	0.00	98,563,698.80	0.00	0.00
5120200 Foreign Borrowing-Direct Payments	0.00	98,563,698.80	0.00	0.00
5120000 Currency and Deposits, Accounts Payable, Clearing Transfers and Other Liabilities	0.00	98,563,698.80	0.00	0.00
6510320 Kenya Industry and Entrepreneurship Project Credit No.6268-KE	96,050,492.00	0.00	132,203,457.00	0.00
6510300	96,050,492.00	0.00	132,203,457.00	0.00
6510000 Special Accounts	96,050,492.00	0.00	132,203,457.00	0.00
6530101 Ministry HQ Recurrent Bank A/C	529,662.00	0.00	4,385,672.00	0.00
6530111 District - Recurrent Bank A/c	0.00	0.00	0.00	0.00
6530100 Recurrent Bank Accounts	529,662.00	0.00	4,385,672.00	0.00
6530000 Recurrent Bank Accounts	529,662.00	0.00	4,385,672.00	0.00
6540101 Ministry HQ Development Bank A	107,860.00	0.00	378,851.00	0.00
6540100 Development Bank Accounts	107,860.00	0.00	378,851.00	0.00
6541114 Kenya Petroleum Technical Assistance Project	0.00	0.00	0.00	0.00
6541100	0.00	0.00	0.00	0.00
6540000 Development Bank Accounts	107,860.00	0.00	378,851.00	0.00
6550101 Ministry HQ Deposit Bank A/C	6,215,613.00	0.00	15,747,723.00	0.00
6550100 Deposit Bank Accounts	6,215,613.00	0.00	15,747,723.00	0.00
6550000 Deposit Bank Account	6,215,613.00	0.00	15,747,723.00	0.00
6580101 Cash	50.00	0.00	23,849.00	0.00
6580104 Cash in Transit	0.00	0.00	0.00	0.00
6580100 Cash in Hand	50.00	0.00	23,849.00	0.00
6580000 Cash in Hand	50.00	0.00	23,849.00	0.00
6740101 Prepayment	0.00	0.00	0.00	0.00
6740102 R/D Cheques	0.00	0.00	0.00	0.00
6740100 Other Debtors & Pre-payments	0.00	0.00	0.00	0.00
6740000 Other Debtors & Pre-payments	0.00	0.00	0.00	0.00
6760101 Standing Imprests	0.00	0.00	0.00	0.00
6760103 Temporary Imprests	0.00	0.00	240,226.40	0.00
6760100 Imprests	0.00	0.00	240,226.40	0.00
6760000 Government Imprests	0.00	0.00	240,226.40	0.00
6780101 General Suspense A/C	0.00	0.00	0.00	0.00
6780103 District Suspense A/c	333,782.70	0.00	74,904.80	0.00



Account No and Description	Current Period		Previous period	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
6780110 Imprest Cash Recovery	0.00	0.00	0.00	0.00
6780100 Suspense & Clearance Account	333,782.70	0.00	74,904.80	0.00
6780000 Suspense & Clearance Account	333,782.70	0.00	74,904.80	0.00
7310101 General Deposits	0.00	5,962,704.40	0.00	15,747,723.00
7310100 General Deposits Items	0.00	5,962,704.40	0.00	15,747,723.00
7310000 Deposits	0.00	5,962,704.40	0.00	15,747,723.00
7320101 PAYE	0.00	0.00	0.00	0.00
7320102 NHIF	0.00	0.00	0.00	0.00
7320103 House Rent	0.00	0.00	0.00	0.00
7320106 NSSF	0.00	0.00	0.00	0.00
7320107 Co-operatives	0.00	0.00	0.00	0.00
7320108 Insurances	0.00	0.00	0.00	0.00
7320109 Hire Purchases	0.00	0.00	0.00	0.00
7320110 Court Attachments	0.00	0.00	0.00	0.00
7320112 Staff Welfare Associations	0.00	0.00	0.00	0.00
7320113 HELB Deductions	0.00	0.00	0.00	0.00
7320114 Union Dues	0.00	0.00	0.00	0.00
7320116 Mortgages / Bank Loans	0.00	0.00	0.00	0.00
7320117 Govt. Liability Attachments	0.00	0.00	0.00	0.00
7320119 RTD Salary - held for officer	0.00	0.00	0.00	0.00
7320121 Salary Overpayment Refunds	0.00	0.00	0.00	0.00
7320123 Civil Service Housing Fund	0.00	0.00	0.00	0.00
7320124 3% Commission on Deductions	0.00	0.00	0.00	0.00
7320126 Employee Contribution to PSSS	0.00	0.00	0.00	0.00
7320199 Salary Control Account	0.00	0.00	0.00	0.00
7320100 Salary Deductions	0.00	0.00	0.00	0.00
7320201 Contractors Retention Money	0.00	252,908.35	0.00	0.00
7320200 Other General Liabilities	0.00	252,908.35	0.00	0.00
7320000 Other Liabilities	0.00	252,908.35	0.00	0.00
7380101 General Withholding Tax	0.00	0.00	0.00	0.00
7380102 VAT Withholding	0.00	0.00	0.00	0.00
7380100	0.00	0.00	0.00	0.00
7380000 Withholding Taxes	0.00	0.00	0.00	0.00
7390101 Inventory AP Accrual	0.00	0.00	0.00	0.00
7390103 AP Liabilities	0.00	0.00	0.00	0.00
7390100 System Required Liabilities	0.00	0.00	0.00	0.00
7399999 Cash Clearing A/c	0.00	0.00	0.00	0.00
7399900	0.00	0.00	0.00	0.00
7390000 System Required Liabilities A/cs	0.00	0.00	0.00	0.00
9910101 Provision for Encumbrance	0.00	0.00	0.00	0.00
9910100 General Provisions	0.00	0.00	0.00	0.00
9910201 Exchequer Releases/ Provisioning Account	0.00	19,217,592,463.85	0.00	14,807,973,393.95
9910209 Remittances to Exchequer Miscellaneous Revenue	991,120,259.00	0.00	986,115,510.00	0.00
9910200 Exchequer Provisions	991,120,259.00	19,217,592,463.85	986,115,510.00	14,807,973,393.95
9910000 Provisions	991,120,259.00	19,217,592,463.85	986,115,510.00	14,807,973,393.95
9990101 Opening Balance Bank	0.00	942,112,985.00	0.00	942,112,985.00
9990100 Opening Balance Bank	0.00	942,112,985.00	0.00	942,112,985.00
9999999 Consolidated Fund	14,626,663,908.75	0.00	5,583,719,613.20	0.00
9999900	14,626,663,908.75	0.00	5,583,719,613.20	0.00
9990000 Opening Balance Reserves	14,626,663,908.75	942,112,985.00	5,583,719,613.20	942,112,985.00
Total	20,290,919,592.40	20,290,919,592.40	15,792,796,346.95	15,792,796,346.95

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____ Date: _____
Reviewed By: _____ Date: _____
Approved By: _____ Date: _____





MINISTRY OF INDUSTRY, TRADE AND ENTERPRISE DEVELOPMENT
KENYA INDUSTRY AND ENTREPRENEURSHIP PROJECT (KIEP)
KIEP REGISTER

28.8.2020



No.	Item/Service Code	Item Description	Procurement Method	Source Of Funds	Status Purchased	Amount (Ksh)	Supplier	Status	Notes
1	M/000000076	Executive Office Desk	RFQ	IDA	3	230,870	Viable Deco Solutions	Received	PC, Pm, Admin, Proc, Acc
2	M/000000069	High Back Office Chair	RFQ	IDA	5	140,500	Filton Enterprises	Received	PC, Pm, Admin, Proc, Acc
3	M/000006815	Visitors Chairs	RFQ	IDA	28	369,124	Viable Deco Solutions	Received	KIEP Office
4	M/000093453	Fireproof Cabinets	RFQ	IDA	3	580,425	Minimix Agencies	Received	Proc, PC, Pm
5	M/000000083	Metal Cabinets	RFQ	IDA	7	197,820	Ostimal Office Supplies	Received	PC, PM, Admin, Proc, Acc
6	M/00000976	Laptop Computers (Standard specs)	RFQ	IDA	8	1,007,200	Computer Ways LTD	LPO	8 for 1st Batch as priority. To consider any more later. As per Sheet Dist 1
9	M/000000542	Paper Shredders	RFQ	IDA	1	45,000	Sarjos Investments	Received	KIEP Office
10	M/000000534	Binding Machines	RFQ	IDA	1	30,000	Sarjos Investments	Received	KIEP Office
11	M/000001093	Heavy Duty Primers/ Photocopies/Scanner	RFQ	IDA	1	548,216	MFI Document Solutions	Received	KIEP Office
14	M/000092340	Office workspace and chairs	RFQ	IDA	4	180,000	Free Investments	Received	KIEP Office
16	M/000000930	Meeting round table	RFQ	IDA	1	620,000	FACE INVESTMENT	Received	KIEP Office
21	M/000000930	Microwave	RFQ	IDA	1	10,500	Dordan Suppliers	Received	KIEP Office
22	M/000000532	Refrigerator	RFQ	IDA	1	49,750	Dordan Suppliers	Received	KIEP Office
	Total					4,009,405			

No.	Item/Service Code	Item Description	Procurement Method	Source Of Funds	Status Purchased	Amount	Supplier	Status	Notes
1	M/00000976	Laptops	RFQ	GOK	19	1,871,500	Sun Beam Computer	Received	As per Sheet Dist 1
3	M/00000979	Printers	RFQ	GOK	2	147,204	Computerways Ltd	LPO	As per Sheet Dist 1
	Sub-Total					2,018,704			
						6,028,109			

Office	3,002,205
ICT	3,025,904
Total	6,028,109

(6,028,109)



