


REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY REPORT PAPERS LAD	
DATE: 23 NOV 2023	DAY: Tues
TABLED BY: OF CLERK-AT THE TABLE:	FIRST CHAIRPERSON OF COMMITTEE (HON. MARTHA WANGARI, MP) Anne shubuko

THE AUDITOR-GENERAL

ON

**EAST AFRICA SKILLS FOR
TRANSFORMATION AND REGIONAL
INTEGRATION PROJECT (EASTRIP)
(IDA LOAN NO. 6334-KE)**

**FOR THE YEAR ENDED
30 JUNE, 2023**

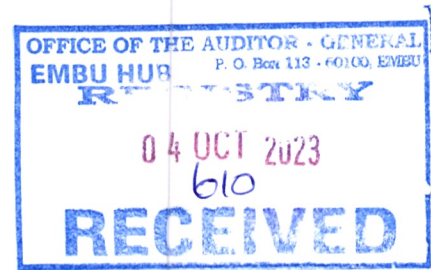
MERU NATIONAL POLYTECHNIC



PROJECT NAME: EAST AFRICAN SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT (EASTRIP)



**THE MERU NATIONAL
POLYTECHNIC**
Technology for Innovation & Development



IMPLEMENTING ENTITY: THE MERU NATIONAL POLYTECHNIC

PROJECT GRANT/CREDIT NUMBER: 6334-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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

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1. Acronyms and Glossary of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.

2. Project Information and Overall Performance

2.1. Name and Registered Office

Name: The project's official name is EAST AFRICAN SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT (EASTRIP).

Objective: The key objective of the project is to increase the **access** and improve the **quality** of TVET programmes and to support **regional integration** and Regional economic corridors.

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

The address of its registered office is: **111-60200, Meru**

The project also has offices/branches as follows: **N/A**

Contacts: The following are the project contacts

Telephone: **+254 93937581**

E-mail: **info@merunationalpolytechnic.ac.ke**

Website: **www.merunationalpolytechnic.ac.ke**

2.2. Project Information

Project Start Date:	The project effective date is 16/09/2019
Project End Date:	The project end date is 31/12/2024
Project Manager:	The project manager is Mr. Mutembei Kigige
Project Sponsor:	The project sponsor is World Bank (IDA)

2.3. Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Education.
Project number	6334-KE
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> (i) To provide high quality market driven academic programs and produce competent workforce to the economy (ii) To attract and retain an adequate, competent and efficient work force (iii) To strengthen the Polytechnic financial management system (iv) To enhance Information Communication Technology (ICT) Integration (v) To enhance a strong and distinct image of the Polytechnic (vi) To strengthen the established Quality Management System
Strategies for achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> (i) By providing high quality market driven academic programs through adoption of CBET curricula and industry involvement. (ii) By upgrading of trainers' skills through capacity building. (iii) Through capacity building of senior management officers on financial management. (iv) Through training on emerging technologies and ICT.

	<p>(v) Through construction of RFTI centre and equipping of workshops and labs.</p> <p>(vi) Through co-operative training and exchange programs, the image of the polytechnic will be enhanced.</p> <p>(vii) Through strengthening of the quality Management System</p> <p>(viii) Through outreach of non-project TVET and signing of MoUs to increase collaborations and partnerships.</p>
Areas that the project was formed to intervene	<p>The project was formed to intervene in the following problems/gaps:</p> <p>(i) Insufficient Budgetary allocation</p> <p>(ii) Old and below standard facilities and infrastructure such as classrooms, laboratories, library, waterline and fence, vehicles, offices and training equipment.</p> <p>(iii) Absence of basic facilities such as: laboratory equipment, workshop equipment, reference books, hostels, staff houses and lack of upgraded machinery.</p> <p>(iv) Poor research and development programs</p> <p>(v) Low industry –TVET linkage</p> <p>(vi) Inadequate technical staff at the required levels</p> <p>(vii) Insufficient internet accesses</p>
Project duration	The project started on 16 th September 2019 and is expected to run until 31 st December 2024

2.4. Bankers

The following are the bankers for the project:

- (i) Equity Bank Ltd.

2.5. Independent Auditor

The project is audited by the **Office of the Auditor General**

2.6. Roles and Responsibilities

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

Names	Title designation	Key qualification	Responsibilities
Mr. Mutembei Kigige Tel:0721401289 Email: principal@merunationalpolytechnic.ac.ke	Principal/ Project Co- ordinator	MBA Finance Dip. Education Management. B Ed. Mathematics & Economics.	To manage the project at all levels
Peter Karanu Mbaka Tel:0722977299 Email: karanumbaka@gmail.com	Centre Leader	M Sc. Civil Engineering B Sc. Civil Engineering B Ed. Technical Education	To assist the Project Co- ordinator in running the project
Stephen Kathurima Kinoti Tel:0724556698 Email: info@merunationalpolytechnic.ac.ke	ILO Officer	BEd. Tech. Building Construction Dip. Building and Civil Engineering Dip. Technical Education	To establish MOUs with partners and engagement of the industry.
Jerusha Karambu Tel:0720392792 Email: eastripfo@merunationalpolytechnic.ac.ke	Project Accountant	B.Com- Accounts Certified Public Accountant CPA (K)	Preparation of financial reports, control and monitoring of resources.

Ian Mutwiri Tel:0713413326 Email: procurement@merunationalpolytechnic.ac.ke	Procurement Officer	B.A Procurement	To procure project equipment and materials and Contracts Management
Catherine Kinoti Tel:0713253706 Email: ckinoti05@gmail.com	M & E Officer	M.A Linguistics B Ed. English Literature	To conduct tracer studies and monitor DLI achievement
Jane Mawira Tel:0721669686 Email:janemicro@yahoo.com	Environmental & Social safeguards Officer	M.Sc. Microbiology Bed. Biology and Chemistry	To ensure adherence to health, safety, gender balance and social safeguards.

2.7. Funding Summary

The Project is for a duration of 5 years, from 2019 to 2024 with an approved budget of EURO 10,800,000 equivalent to Kshs. 1,242,791,640 (conversion rate is 1 EURO = KES. 115.07333 as per the CBK rate on 16th September 2019) as highlighted in the table below:

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30/06/2023)		Undrawn balance to date (30/06/2023)	
	Donor currency	KShs	Donor currency	KShs	Donor currency	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
Loan						
World Bank -						
IDA	10,800,000	1,242,791,640	3,949,175.27	454,444,631	6,850,824.73	788,347,009
Total	10,800,000	1,242,791,640	3,949,175.27	454,444,631	6,850,824.73	788,347,009

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2023)		Cumulative amount paid to date – (30 th June 2023)		Unutilised balance to date (30 th June 2023)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
(i) Loan						
World Bank – IDA	3,949,175.27	454,444,631	3,671,179.21	422,454,706.88	277,996.06	31,989,924.72
Total	3,949,175.27	454,444,631	3,671,179.21	422,454,706.88	277,996.06	31,989,924.72

Project information and overall performance (continued)

2.8. Summary of Overall Project Performance

i) Budget performance against actual amounts for the year ended 30th June, 2023 is 71% at Kes. 128,484,818.43/-

The low absorption rate was occasioned by delay in receipt of funds whereby procurement procedure for equipment has been initiated and contract awarded to Inter-tech FZC International Limited of Kes. 236,273,788 but could not be processed as at the close of the financial year 2022/2023 due to limited funds.

ii) Physical progress based on outputs, outcomes and impacts since project commencement:

A number of procurement processes have been initiated and completed:

- ✓ Purchase of two project Motor Vehicles at a cost of Kes. 15,210,000.00
- ✓ A contract was awarded to Symbion Kenya Limited consultants for Design and supervision, for a Lumpsum of Kes. 38,002,897.50. The final designs and bills of quantities With prices of Kes. 466,218,773.38 have already been submitted to the institution as per contract agreement.
- ✓ A contract was awarded for the construction works tender to Miles construction company for a Lumpsum of Kes. 444,473,290 and the ground breaking event held on the 1st November 2021. The construction project is at 41.3% completion level as at 30th June, 2023.
- ✓ The Polytechnic has awarded the tender for equipment supply, installation, testing, commissioning and training of trainers tender, to a supplier named Inter-tech FZC International Limited of Kes.236,273,788 ,awaiting the equipment supply.

iii) On value-for-money achievements: Due diligence has been observed in the above procurement processes to ensure the Polytechnic acquires the best value.

iv) The implementation challenges and recommended way forward: The procurement processes are lengthy. However, to ensure that the project objectives are met within the stipulated time frame, we have merged a number of procurement activities to ensure faster implementation.

2.9. Summary of Project Compliance:

- i) Significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants: **None**
- ii) Consequences suffered on account of non-compliance or likely to be suffered: **None**
- iii) Mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance: **N/A**

3. Statement of Performance Against Project's Predetermined Objectives

The Meru National Polytechnic is a government institution under the Ministry of Education (MoE) with a core mandate to provide Technical and Vocational Education and Training (TVET). The Polytechnic is one of the key flagship training centres in Civil Engineering and Building Technology.

The training centre is envisaged to enhance research and innovation capabilities in the field of civil engineering and building technology. The government proposes to provide infrastructure that will include a series of workshops, laboratories, lecture rooms and a library among other facilities for the training centre to meet its enhanced mandate. It is further projected to be a world class high technology research facility and a centre of excellence to cater for civil engineering and building technology needs at the national, regional and international levels.

Introduction

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

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

- a) To increase access and improve the quality of TVET programs
- b) To support regional Integration and Regional economic corridors

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.

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Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
EASTRIP	To increase access and improve the quality of TVET programs	Introduction of new Short courses	Higher enrolment rates and number of programmes developed	4 new courses developed and approved by TVETA.
EASTRIP	To support regional Integration & regional corridors	Regional accreditation	Higher regional enrolment rates	71 Regional students enrolled

4. Environmental and Sustainability Reporting

The Meru National Polytechnic -MNP has secured the services of **Symbion Kenya Ltd** to design and build the proposed EASTRIP at the polytechnic campus along Meru – Nanyuki Road in Meru County. The main objective of the proposed project is to enhance research and innovation capabilities in the field of civil engineering and building technology. The proposed EASTRIP project shall cover a spatial scope of approximately 8,000 square metres. Specific facilities in the proposed project design include;

1. Workshops: Masonry workshop (2), plumbing workshops (2), civil engineering laboratories (4), building and construction workshops (4), commercial laboratory (2), technical drawing labs (5).
2. Learning spaces: Computer labs (3), project Cost and CAD & modelling room (2), smart classroom (1), IT Lab E-Learning (1), server room (1), lecture rooms (8), library (1).
3. Administration block: Kitchenette, Boardroom, HOD's office, D/HOD's office, Sectional Heads Office, Examination Room, Staff Room, ablution blocks and other associated infrastructure as appropriate.

The EASTRIP Project at Meru National Polytechnic has been designed to optimize on process and people flow. The scope of the project also includes installation of an effluent treatment plant for the waste water generated during the operational phase of the project.

The World Bank policy on all new projects with potential adverse environmental impacts requires that an Environmental and Social Impact Assessment (EIA) study be carried out at the project planning stages to ensure that significant impacts on the environment are taken into consideration.

In the preparation of this ESIA report, the EIA Lead expert followed the guidelines contained in the EIA regulations under Legal Notice No. 101 of June 2003, World Bank ESIA Guidelines as well as Technical and Vocational Education Training Authority (TVETA) guidelines. As a requirement for conducting ESIA and the subsequent compilation of this report, the EIA expert also consulted and involved project stakeholders through a public meeting held on 6th November, 2020 at the proposed project site. The views, concerns and feedback from the stakeholders were collated and incorporated into the ESIA report.

While undertaking the EIA process, the EIA Lead expert identified the potential positive and negative environmental and socio-economic impacts of the proposed development and identified mitigation measures for the adverse impacts. Further, this ESIA project report has developed an Environmental and Social Management Plan to guide the implementation of mitigation measures and as a basis for Environmental Monitoring

1. Sustainability Strategy and Profile

Sustainable Development Goals 2015

At the United Nations Sustainable Development Summit on 25 September 2015, world leaders adopted the 2030 Agenda for Sustainable Development, which includes a set of 17 Sustainable Development Goals (SDGs) to end poverty, fight inequality and injustice, and tackle climate change by 2030. Some of the goals which are in line to the proposed development include, but not limited to;

- Goal 1 on No Poverty: To end poverty, everyone should have basic healthcare, security and education.

The proposed Building Technologies Centre of Excellence project at Meru National Polytechnic shall play into this goal by impacting knowledge and skills to the students to enable them to devise informed solutions to the social-economic challenges combating their communities.

- Goal 4 on Quality Education: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Education enables upward socioeconomic mobility and is a key to escaping poverty. Over the past decade, major progress was made towards increasing access to education and school enrollment rates at all levels, particularly for girls.

The proposed Building Technologies Centre of Excellence project at Meru National Polytechnic fits directly into this goal. Upon completion, the Building Technologies Centre of Excellence project at Meru National Polytechnic shall be providing higher education to approximately 2,500 students from the Country and beyond. Enhanced education shall subsequently result to enhanced knowledge and skills impacted to the populace. In turn this will result to enhanced human resource capital who shall positively impact the development of the Country progressively lifting up the livelihoods and standards of living of the communities.

- Goal 8: The aim is for sustainable economic growth and decent employment for all.

The proposed Building Technologies Centre of Excellence project at Meru National Polytechnic project fits directly into this goal. Enhanced knowledge and skills impacted to the students at the Polytechnic will directly enhance their employability.

2. Environmental Performance

In compliance with the Environmental Management and Coordination (Amendment) Act of 1999, the proponent has engaged a **NEMA-registered Lead Expert (Reg. No. 6186)** to conduct an Environmental and Social Impact Assessment for the proposed project and submit an ESIA project report to the National Environment Management Authority for review and subsequent licensing.

In the preparation of this ESIA report, the EIA Lead expert followed the guidelines contained in the EIA regulations under Legal Notice No. 101 of June 2003, World Bank ESIA Guidelines as well as Technical and Vocational Education Training Authority (TVETA) guidelines. As a requirement for conducting ESIA and the subsequent compilation of this report, the EIA expert also consulted and involved project stakeholders through a public meeting held on 6th

November, 2020 at the proposed project site. The views, concerns and feedback from the stakeholders were collated and incorporated into the ESIA report.

While undertaking the EIA process, the EIA Lead expert identified the potential positive and negative environmental and socio-economic impacts of the proposed development and identified mitigation measures for the adverse impacts. Further, this ESIA project report has developed an Environmental and Social Management Plan to guide the implementation of mitigation measures and as a basis for Environmental Monitoring.

3. Employee Welfare

Meru National Polytechnic-EASTRIP Project has adopted a human resource policy which underpins one of the strategic plan pillars on attracting and retaining competent and qualified staff. Further, it guides on the hiring process, gender ratio, and stakeholders' engagement. The polytechnic engages employees in capacity building programs to enhance employee skills. The Project has in place Occupational Safety and Health Policy in conformity to OSHA Act of 2007.

4. Market Place Practices

MNP EASTRIP has put in place deliverables to ensure proper market place practices which are outlined as follows:

a) Responsible competition practice.

The polytechnic is non-partisan and adheres to the set legislation namely PPADA Act 2015, Ethics & Anti-corruption Act 2011 through implementation of the set practices which include regular prequalification of suppliers and regular oversight and training by the Meru National Polytechnic anti-corruption committee.

b) Responsible Supply chain and supplier relations

EASTRIP is committed to an operational Polytechnic service charter developed and certified through the quality management system (QMS) and has a suggestion box for follow up on customer feedback to ascertain the degree of satisfaction.

c) Responsible marketing and advertisement

The EASTRIP Project advertises based on approved budget through approved government agencies.

5. Community Engagements

The EASTRIP involved project stakeholders through a public meeting held on 6th November, 2020 at the proposed project site. The views, concerns and feedback from the stakeholders were collated and incorporated into the ESIA report.

5. Statement of Project Management Responsibilities

The Principal Secretary for the Ministry of Education and the Project Coordinator for East African Skills for Transformation and Regional Integration Project (EASTRIP) are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2023.

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

The Principal Secretary for the Ministry of Education and the Project Coordinator for East African Skills for Transformation and Regional Integration Project (EASTRIP) accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the Ministry of Education and the Project Coordinator for East African Skills for Transformation and Regional Integration Project (EASTRIP) are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2023, and of the Project's financial position as at that date. The Principal Secretary for the Ministry of Education and the Project Coordinator for East African Skills for Transformation and Regional Integration Project (EASTRIP) further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Principal Secretary for the Ministry of Education and the Project Coordinator for East African Skills for Transformation and Regional Integration Project (EASTRIP) confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

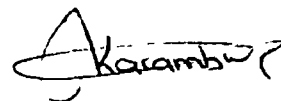
East African Skills for Transformation and Regional Integration Project (EASTRIP)
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Approval of the Project Financial Statements

The Project financial statements were approved by the Project Coordinator for East African Skills for Transformation and Regional Integration Project (EASTRIP) on 29th September, 2023 and signed by:



Project Coordinator
Name: Mutembei Kigige



Project Accountant
Name: Jerusha Karambu
ICPAK Member Number:
27496

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REPORT OF THE AUDITOR-GENERAL ON EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT (EASTRIP) (IDA LOAN NO. 6334-KE) FOR THE YEAR ENDED 30 JUNE, 2023 - MERU NATIONAL POLYTECHNIC

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of East Africa Skills for Transformation and Regional Integration Project (EASTRIP) – Meru National Polytechnic set out on pages 1 to 45, which comprise the statement of financial assets as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of East Africa Skills for Transformation and Regional Integration Project (EASTRIP) – Meru National Polytechnic as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis), the Public Finance Management Act, 2012 and comply with the provisions of the financing agreement dated 18 December, 2018 between the Republic of Kenya and International Development Association.

Basis of Qualified Opinion

1. Unreconciled Donor Funds

According to the information in the funding summary at Section 2.7A on page viii of the financial statements shows that the project received to date EURO 3,949,175 or Kshs.454,444,631 while records from the State Department of Vocational Training reflects budgeted project estimates amounting to EURO 5,810,300 equivalent to Kshs.766,228,504, resulting to a variance of EURO 1,861,125 equivalent to Kshs.311,783,873. However, no supporting evidence or explanation was provided for failure to disburse the funds to the project by the State Department.

Further, section 2.7B reflects application of funds totalling to EURO 3,949,175 equivalent to Kshs.454,444,631 while the State Department of Vocational Training reflects expenditure to date of EURO 3,790,311 equivalent to Kshs.437,764,017 resulting to unreconciled difference of EURO 158,864 equivalent to or Kshs.16,680,614.

In the absence of reconciliation between the two sets of records, it was not possible to confirm the accuracy of the cumulative amount received and spent by the project Management.

2. Undisclosed Pending Bill

The statement of receipts and payments and Note 6 to the financial statements reflects Kshs.73,827,160 in respect to purchase of goods and services. Included in this amount

is Kshs.782,072 in respect to printing, advertising and information supplies & services paid for advertising, which relates to expenditures incurred during 2021/2022 financial year. Further, a review of documents revealed that the same was not disclosed as pending bills in the financial statements for the years 2021/2022.

In the circumstances, completeness and accuracy of the pending bill amounting to Kshs.782,072 could not be confirmed.

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

Emphasis of Matter

Slow Absorption of Project Funds

As disclosed under Paragraph 2.2 on the Project information and overall performance, the Project was earmarked to close in December, 2024. Further, the Projects' funding summary indicates that the Donor had made commitment amounting to Kshs.1,242,791,640 equivalent of EURO 9,280,000 as at 16 September, 2019. However, actual drawdowns during the Project life amounted to Kshs.454,444,631 equivalent to EURO 3,949,175 leaving an undrawn balance of Kshs.788,347,010 or EURO 6,850,825.

However, and considering the credit lapse period, the Project's planned deliverables earmarked for completion may not be realized.

Key Audit Matters

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

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. Irregularities in Construction of the Building Technology Flagship Center (EASTRIP Project)

The construction of the Building Technology Flagship Center (EASTRIP Project) at the Meru polytechnic was awarded on 8 October, 2021 at a contract sum of Kshs.444,473,290 with a project duration of eighteen (18) months. The initial project completion date was earmarked to be in May 2023. However, the project completion date was extended by a period of three (3) months which at the time of audit had lapsed and had not been extended. Further, the contractor had stopped works on various days during the contract period namely; from 9 July, 2022 to 29 August, 2022 fifty-one (51) days, from 6 March, 2023 to 3 April, 2023 twenty-eight (28) days and from 4 May, 2023 to 1 June, 2023 twenty-eight (28) days all totalling one hundred seven days (107) days. No justifications were provided for these stoppages. During an audit inspection conducted in August, 2023, it was observed that the contractor had abandoned the site and there was no evidence of work progress at the site despite the project being approximately 50% complete against time lapse of over 100%.

In addition, the contractor was paid an advance payment of Kshs.56,689,678 at the commencement of the project. However, it was observed that the bank guarantee for advance payment drawn by the contractor expired on 28 January, 2023. No evidence has been provided that the bank guarantee has since been renewed by the contractor thereby exposing the polytechnic to the risk of loss of money in case of non-performance by the contractor. Similarly, the Environmental and Social Performance Security drawn by the contractor issued on 29 October, 2021 had also expired on 28 October, 2022 and the same was not renewed contrary to Clause 61.2 (f) of the General conditions of the Contract. Management has not taken any step against the contractor for fundamental breaches of contract.

Although, the Institute sought for legal opinion from the Attorney General in June, 2023 in view of the challenges leading to delays in project implementation. However, the opinion was not explicit on whether to terminate the contract or not. As at the time of audit in September, 2023 Management was unable to provide a clear way forward for completion of the project.

In the circumstances, the regularity and value for money realized from the expenditure of Kshs. 444,473,290 awarded on the delayed Project could not be confirmed.

2. Un Confirmed Cost Variation Claims on the Flagship Project

Management awarded a construction contract for the Flagship Project to a contractor on 8 October, 2021 at a contract sum of Kshs.444,473,290 with a project duration of eighteen (18) months up to April, 2023. The project was a fixed price contract as per clause 49 of the General Conditions of the contract agreement. However, as the works progressed, the contractor raised a claim for additional costs amounting to Kshs.68,617,854 due to increase in prices of construction materials which was not considered by the client.

Documents provided for audit revealed that the matter was referred to the state department for Public Works who advised that changes in prices could only be considered on an ex-gratia basis. Further, the project Quantity Surveyors also acknowledged that the client was not contractually bound to review any price adjustments as claimed by the contractor unless on ex-gratia basis.

As at the time of conclusion of the audit on October, 2023, the matter had not been addressed by the respective parties.

In the circumstances, the quality of work and value for money of the project may be compromised with possibility of project stalling due to delay in resolving the cost escalation claims.

3. Lack of Value for Money - Consultancy Fees

The statement of financial Assets and as disclosed in Note 6 to the financial statements reflects purchase of goods and services amount of Kshs.73,827,160.15 which includes other operating payments amount of Kshs.20,795,253.65 which further includes Kshs.20,748,293.65 paid to Symbion Kenya Limited for consultancy services.

Review of records provided for audit revealed that the Management entered into a consultancy contract for supervision of construction works (Contract No: KE-MERUPOLY-128513-CS-QCBS) on 8 October, 2021 at contract cost of Kshs.33,335,875 exclusive of all indirect taxes which as at that time were Kshs.4,667,022.50 (14% VAT both totalling to Kshs.38,002,897.50. The performance period was thirty (30) months commencing from 1 October, 2021.

The scope of services to be carried out by the consultant was in two phases: Phase 1-conceptual design, detailed design, and preparation of tendering documents of the building technology flagship centre and Phase 2-construction supervision and defect liability period.

On 8 October, 2021, upon completion of phase 1, the Consultant came up with another financial proposal for phase 2 of the project which covered supervision of construction works and defects liability period. The financial proposal amounts this time being Kshs.27,501,339.40 exclusive of taxes. This financial proposal was valid for eighteen (18) months during the construction period or such extension of time as may be granted to the contractor within the contract. The Project made monthly installment of Kshs.1,476,061 for 18 months in full settlement of the phase 2, with the last payment made on 07 June, 2023.

Audit inspection and verification of the project conducted in August, 2023 revealed that the project had stalled at 50 % completion as per interim certificates used to pay the main contractor who was not on site as at time of audit in September, 2023. The Management therefore, has paid the consultant full amount meaning an extra consultancy cost for the completion of outstanding works will be incurred.

Further, phase one payment of Kshs.16,747,626 were made without signing any contract agreement contrary to Regulation 63 of Public Procurement and Asset Disposal 2020 Regulations which states that after the award of the contract, the contract agreement shall be prepared and entered into.

In the circumstances, the propriety and value for money for the expenditure amount of Kshs.43,316,724 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

The Project 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, the Project Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 November, 2023

East African Skills for Transformation And Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2023

7. Statement of Receipts and Payments for The Year Ended 30th June 2023.

Note	2022/2023		2021/2022		Cumulative to-date (From inception)
	Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
RECEIPTS					
1	139,444,631.65	-	139,444,631.65	-	454,444,631.65
2	-	-	-	-	-
3	-	-	-	-	-
4	-	-	-	-	-
TOTAL RECEIPTS	139,444,631.65	-	139,444,631.65	-	454,444,631.65
PAYMENTS					
5	3,118,660.00	-	3,118,660.00	-	5,542,193.25
6	73,827,160.05	-	73,827,160.05	-	201,038,116.79
7	-	-	-	-	16,400.00
8	51,538,998.38	-	51,538,998.38	143,200,979.46	215,857,996.84
9	-	-	-	-	-
10	-	-	-	-	-
TOTAL PAYMENTS	128,484,818.43	-	128,484,818.43	204,826,043.75	422,454,706.88
SURPLUS/ (DEFICIT)	10,959,813.22	-	10,959,813.22	-204,826,043.75	31,989,924.77

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The financial statements were approved on 29th September, 2023 and signed by:



Project Coordinator
Name: Mutembei Kigige



Project Accountant
Name: Jerusha Karambu
ICPAK Member Number: 27496

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

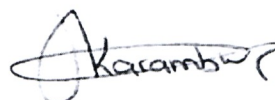
Description	Note	2022/2023 Kshs	2021/2022 Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	11.A	31,989,924.72	21,030,111.50
Cash Balances	11. B		
Cash equivalents (Short-term deposits)	11.C		
Total Cash and Cash equivalents		31,989,924.72	21,030,111.50
Imprests and Advances	12	-	-
Total Financial Assets			
Financial Liabilities			
Third party Deposits and Retention			-
Net Assets			
Represented By			
Fund Balance B/fwd.	14	21,030,111.50	225,856,155.30
Prior Year adjustments	15		
Surplus/(Deficit) for the Year		10,959,813.22	- 204,826,043.80
Net Financial Position		31,989,924.72	21,030,111.50

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

The financial statements were approved on 29th September, 2023 and signed by:



Project Coordinator
Name: Mutembei Kigige



Project Accountant
Name: Jerusha Karambu
ICPAK Member Number: 27496

9. Statement of Cashflow for the Year Ended 30th June 2023

Description	Notes	2022/2023	2021/2022 Restated	2021/2022
		Kshs	Kshs	Kshs
Cashflow from Operating Activities				
Receipts				
Transfer from government entities	1			
Proceeds from domestic and foreign grants	2	139,444,631.65		-
Miscellaneous receipts	4			
Total Receipts		139,444,631.65		-
Payments				
Compensation of employees	5	3,118,660.00	-2,423,533.25	(2,423,533.25)
Purchase of goods and services	6	73,827,160.05	-59,185,131.04	(59,185,131.04)
Social security benefits	7	-	(16,400.00)	(16,400.00)
Transfers to other government entities	9	-	-	-
Other grants and transfers	10	-	-	-
Total Payments		76,945,820.05	-61,625,064.29	-61,625,064.29
Net receipts/(payments)		62,498,811.60	-61,625,064.29	-61,625,064.29
Adjustments during the year				
Prior year adjustments	15			
Decrease/(increase) in accounts receivable	16			2,815,000.00
Increase/(decrease) in accounts payable:				
Net cash flow from operating activities				
Cashflow from investing activities				
Acquisition of non-financial assets	8	(51,538,998.38)	(143,200,979.46)	(143,200,979.46)
Net cash flows from investing activities				
Cash flow from financing activities				
Proceeds from foreign borrowings	3			
Net cash flow from financing activities				
Net increase in cash and cash equivalents		10,959,813.22	-204,826,043.75	-204,826,003.80
Cash and cash equivalent at beginning of the year	11	21,030,111.50	225,856,155.30	225,856,155.30
Cash and cash equivalent at end of the year	11	31,989,924.72	21,030,111.50	21,030,111.50

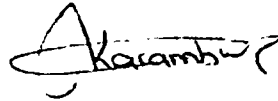
East African Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2023

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 29th September, 2023 and signed by:



Project Coordinator
Name: Mutembei Kigige




Project Accountant
Name: Jerusha Karambu
ICPAK Member Number: 27496

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

Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
a	B	c=a-b	d=b/a %	
Receipts				
Proceeds from borrowings	139,444,631.65	40,555,368.35	77.47	
Total Receipts	139,444,631.65	40,555,368.35		
Payments				
Purchase of goods and services	128,484,818.43	51,515,181.57	71.38	
Social security benefits	-			
Acquisition of non-financial assets	-			
Transfers to other government entities				
Other grants and transfers				
Total payments	128,484,818.43	- 10,959,813.22		
Receipts				



Project Coordinator
 Name: Mutembei Kigige



Project Accountant
 Name: Jerusha Karambu
 ICPAK Member Number: 27496

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

The financial statements are for East African Skills for Transformation and Regional Integration Project (EASTRIP) under the State Department of Technical and Vocation Education Training. The financial statements are for the reporting entity East African Skills for Transformation And Regional Integration Project (EASTRIP) as required by Section 81 of the PFM Act, 2012 .

c) Reporting currency

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

d) Recognition of receipts

East African Skills for Transformation and Regional Integration Project (EASTRIP) recognises all receipts from the various sources when the event occurs, and the related cash has been received.

i) Transfers from the Exchequer

Transfer from Exchequer is 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.

Significant Accounting Policies (continued)

ii) External Assistance

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

iii) Other receipts

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 at the time associated cash is received.

iv) Donations and grants

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

v) Proceeds from borrowing.

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

vi) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their 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.

Significant Accounting Policies (continued)

e) Recognition of payments

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

i) Compensation to employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

Significant Accounting Policies (continued)

v) Acquisition of fixed assets

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

f) In-kind donations

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

g) Cash and cash equivalents

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

Significant Accounting Policies (Continued)

h) Restriction on cash

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

i) Imprests and Advances

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

j) Contingent Liabilities

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

Significant Accounting Policies (Continued)

k) Contingent Assets

East African Skills for Transformation And Regional Integration Project (EASTRIP) 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 East African Skills for Transformation And Regional Integration Project (EASTRIP) in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Pending bills

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

m) Budget

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

Significant Accounting Policies (Continued)

n) Third party payments

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

o) Exchange rate differences

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

p) Comparative figures

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

q) Subsequent events

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

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented in note 15 of these financial statements.

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	2022/2023	2021/2022	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
Counterpart funding through Ministry of Education			
Counterpart funds Quarter 1	0	0	0
Counterpart funds Quarter 2	0	0	0
Counterpart funds Quarter 3	0	0	0
Counterpart funds Quarter 4	0	0	0
Total (See Annex 3)	0	0	0
Other transfers from government entities			
Ministry of Education	139,444,631.55	0	454,444,631.65
Ministry xy	0	0	0
Project zz	0	0	0
Agency xx	0	0	0
Total	<u>139,444,631.55</u>	<u>0</u>	<u>454,444,631.65</u>
Appropriations-in-Aid	0	0	0
Total	139,444,631.55	0	454,444,631.65

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2023, we received grants from donors as detailed in the table below:

Name of Donor	Date received	2022/2023					2021/2022		Cumulative to date
		Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	Kshs	
Grants Received from Bilateral Donors (Foreign Governments)	-	-	-	-	-	-	-	-	-
Insert name of foreign Government	-	-	-	-	-	-	-	-	-
Grants Received from Multilateral Donors (International Organizations)	-	-	-	-	-	-	-	-	-
Insert name of international organization	-	-	-	-	-	-	-	-	-
Grants Received from Local Individuals and organizations	-	-	-	-	-	-	-	-	-
Insert name of individual or local organization	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements (Continued)

3. Loan from External Development Partners

During the financial period to 30 June 2023, we received funding from development partners in form of loans negotiated by the National Treasury as detailed in the table below:

Description	2022/2023				2021/2022		Cumulative to date
	Date received	Amount in loan currency (Insert currency)	Loans received in actual amount Kshs	Loans received as direct payment* Kshs	Total amount in Kshs	Total amount in Kshs	
Name of Donor							
Total							

Notes to the Financial Statements (Continued)

4. Miscellaneous receipts

Description	2022/2023			2021/2022		Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	Total receipts	Kshs	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Property income	-	-	-	-	-	-
Sales of goods and services	-	-	-	-	-	-
Administrative fees and charges	-	-	-	-	-	-
Fines, penalties, and forfeitures	-	-	-	-	-	-
Voluntary transfers other than grants	-	-	-	-	-	-
Other receipts not classified elsewhere*	-	-	-	-	-	-
Total	-	-	-	-	-	-

Notes to the Financial Statements (Continued)

5. Compensation to Employees

Description	2022/2023		2021/2022	
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments
	Kshs	Kshs	Kshs	Kshs
Basic wages of temporary employees	3,014,800.00	-	3,014,800.00	2,374,533.25
Pension and other social security contributions	-	-	-	-
Compulsory national social security schemes	45,360.00	-	45,360.00	45,360.00
Compulsory national health insurance schemes	58,500.00	-	58,500.00	107,500.00
Social benefit schemes outside government	-	-	-	-
Other personnel payments	-	-	-	-
Total	3,118,660.00	-	3,118,660.00	2,423,533.25
				5,542,193.25

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Notes to the Financial Statements (Continued)

6. Purchase of Goods and Services

Description	2022/2023			2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	9,923,036.00	-	9,923,036.00	1,198,440.00	11,707,200.00
Communication, supplies and services	610,000.00	-	610,000.00	309,000.00	935,000.00
Domestic travel and subsistence	9,280,000.00	-	9,280,000.00	15,471,900.00	44,219,421.65
Foreign travel and subsistence	24,997,418.40	-	24,997,418.40	19,057,649.90	48,249,801.70
Printing, advertising, and information supplies	782,072.00	-	782,072.00	1,318,432.00	3,332,304.00
Training payments	4,839,879.00	-	4,839,879.00	4,226,893.00	22,511,152.00
Hospitality supplies and services	1,019,695.00	-	1,019,695.00	4,858,160.00	8,545,395.00
Insurance costs	405,484.00	-	405,484.00	622,386.00	1,485,250.00
Specialized materials and services	-	-	-	-	16,953,297.80
Other operating payments	20,795,253.65	-	20,795,253.65	10,612,033.19	36,029,077.14
Routine maintenance – vehicles and other transport equipment	1,174,322.00	-	1,174,322.00	1,422,568.00	3,194,552.00
Routine maintenance- other assets	-	-	-	87,669.00	3,875,665.50
Exchange rate losses/gains (net)					
Total	<u>73,827,160.05</u>	<u>-</u>	<u>73,827,160.05</u>	<u>59,185,131.09</u>	<u>201,038,116.79</u>

Notes to the Financial Statements (Continued)

7. Social Security Benefits

Description	2022/2023			2021/2022	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	
Government pension and retirement benefits	-	-	-	16,400	16,400
Social security benefits in cash and in kind	-	-	-	-	-
Employer social benefits in cash and in kind	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,400</u>	<u>16,400</u>

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Notes to the Financial Statements (Continued)

8. Acquisition of Non-Financial Assets

Description	2022/2023		2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	
	Kshs.	Kshs.	Kshs	Kshs
Purchase of buildings				
Construction of buildings	51,538,998.38	-	51,538,998.38	132,044,284.46
Refurbishment of buildings	-	-	-	-
Construction of roads	-	-	-	-
Construction of civil works	-	-	-	-
Overhaul & refurbishment of construction and civil works	-	-	-	-
Purchase of vehicles & other transport equipment	-	-	-	15,210,000.00
Overhaul of vehicles & other transport equipment	-	-	-	-
Purchase of household furniture & institutional equipment	-	-	-	-
Purchase of office furniture & general equipment	-	-	-	11,156,695.00
Purchase of specialised plant, equipment and machinery	-	-	-	5,908,019.00
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-
Purchase of certified seeds, breeding stock and live animals	-	-	-	-
Research, studies, project preparation, design & supervision	-	-	-	-
Rehabilitation of civil works	-	-	-	-
Acquisition of strategic stocks	-	-	-	-
Acquisition of land	-	-	-	-
Acquisition of other intangible assets	-	-	-	-
Total	<u>51,538,998.38</u>	<u>=</u>	<u>51,538,998.38</u>	<u>143,200,979.46</u>
				<u>215,857,996.84</u>

Notes to the Financial Statements (Continued)

9. Transfers to other Government Entities

During the financial period to 30 June 2023, we transferred funds to reporting government entities as shown below:

Description	2022/2023			2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers to National Government entities					
Ministry ABC	0	0	0	0	0
Project XYZ	0	0	0	0	0
	0	0	0	0	0
Transfers to County Governments	0	0	0	0	0
County ABC	0	0	0	0	0
County XYZ	0	0	0	0	0
	0	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Notes to the Financial Statements (Continued)

10. Other Grants, Transfers and Payments

	Kshs	Kshs	Kshs	Kshs	Kshs
Grants for scholarships	0	0	0	0	0
Transfers to lower levels of government e.g. schools	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0
Total	0	0	0	0	0

[Provide explanation as necessary]

Notes to the Financial Statements (Continued)

11. Cash And Cash equivalents

Description	2022/2023	2021/2022
	Kshs	Kshs
Equity Bank Ltd-1040279407282 (Note 11A)	31,989,924.72	21,030,111.50
Cash in hand (Note 11B)		
Cash equivalents (short-term deposits) (Note 11C)		
Total	<u>31,989,924.72</u>	<u>21,030,111.50</u>

East African Skills for Transformation and Regional Integration Project (EASTRIP) has 1 number of project accounts spread within the project implementation area and 0 number of foreign currency designated accounts managed by the National Treasury as listed below:

11. A Bank Accounts

Project Bank Accounts

Details	2022/2023	2021/2022
	Kshs	Kshs
Equity Bank Ltd-1040279407282 (Note 11A)	31,989,924.72	21,030,111.50
Total local currency balances	<u>31,989,924.72</u>	<u>21,030,111.50</u>
Total bank account balances	<u>31,989,924.72</u>	<u>21,030,111.50</u>

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2023 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

Special Deposit Accounts Movement Schedule

Description	2022/2023	2021/2022
	Kshs	Kshs
(i) A/c Name: Meru National Polytechnic-EASTRIP A/c No:1040279407282		
Opening balance	21,030,111.50	225,856,155.30
Total amount deposited in the account	139,444,631.65	0
Total amount withdrawn (as per Statement of Receipts & Payments)	128,484,818.43	204,826,043.80
Closing balance (as per SDA bank account reconciliation attached)	<u>31,989,924.72</u>	<u>21,030,111.50</u>
(ii) A/c Name [A/c No.....]		
Opening balance (as per the SDA reconciliation)	0	0
Total amount deposited in the account	0	0
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>0</u>	<u>0</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>0</u>	<u>0</u>

Notes to the Financial Statements (Continued)

11 B Cash in hand

Description	2023/2022	2021/2022
	KShs	KShs
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other locations (specify)	0	0
Total cash in hand balances	<u>0</u>	<u>0</u>

[Provide a cash count certificate for each location above]

11 C Cash equivalents (short-term deposits)

Description	2022/2023	2021/2022
	Kshs	Kshs
Kenya Commercial Bank [A/C No.....]	0	0
Co-Operative Bank of Kenya [A/C No.....]	0	0
Others (Specify)	0	0
Total	<u>0</u>	<u>0</u>

[Provide short appropriate explanations as necessary]

12. Imprests and Advances

Description	2022/2023	2021/2022
	Kshs	Kshs
Government Imprests	0	0
Salary advances	0	0
Total	0	0

Notes to the Financial Statements (Continued)

13. Deposits and Retention Monies

Description	2022/2023	2021/2022
	Kshs	Kshs
Retention	13,483,335.41	13,483,335.41
Paid		0
Deposits	5,153,899.84	0
Total	18,637,235.25	13,483,335.41

14. Fund Balance Brought Forward

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank accounts	21,030,111.50	225,856,155.30
Cash in hand		
Cash equivalents (short-term deposits)		
Outstanding imprests and advances		
Deposits and retention		
Total	21,030,111.50	225,856,155.30

Notes to the Financial Statements (Continued)

15. Prior Year adjustment

Description of the error	Balance b/f 2022/2023 (audited financial statements) Kshs	Adjustments Kshs	Adjusted balance b/f Previous FY Kshs
Bank account Balances	0	0	0
Cash in hand			
Imprests and advances			
Deposits and retentions			
Others (specify)			
Total	0	-	0

16. Changes in Imprests and Advances

Description of the error	2022/23 KShs	2021/22 KShs
Outstanding Imprest as at June 30, 2022 (A)	0.00	0.00
Imprest issued during the year (B)	4,626,445.00	4,975,440.00
Imprest surrendered during the Year (C)	4,626,445.00	4,975,440.00
Net changes in account receivables D= A+B-C	0.00	0.00

17. Changes in Accounts Deposits and Retention

Description of the error	2022/23 KShs	2021/22 KShs
Deposit and Retentions as at 1 st July 2022 (A)	13,483,335.41	420,888.50
Deposit and Retentions held during the year (B)	5,153,899.84	13,483,335.41
Deposit and Retentions paid during the Year (C)	-	420,888.50
Net changes in account payables D= A+B-C	18,637,235.25	13,483,335.41

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Other Important Disclosures

1. Pending Accounts Payable (See Annex 4a)

	Balance b/f 2021/2022	Additions for the year	Paid during the year	Balance c/f 2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	312,429,006	0	51,538,998	260,890,007
Construction of civil works				
Supply of goods				
Supply of services				
Total	312,429,006	0	51,538,998	260,890,007

2. Pending Staff Payables (See Annex 4b)

	Balance b/f from 2021/2022	Additions for the year	Paid during the year	Balance c/f for 2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Senior management	0	0	0	0
Middle management	0	0	0	0
Union employees	0	0	0	0
Others	0	0	0	0
Total	0	0	0	0

3. Other Pending Payables (See Annex 4c)

	Balance b/f from 2021/2022	Additions for the year	Paid during the year	Balance c/f for 2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	0	0	0	0
Amounts due to County Government entities	0	0	0	0
Amounts due to third parties- NSSF	0	54,000	45,360	8,640
Total	0	54,000	45,360	8,640

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Other Important Disclosures (Continued)

4. External Assistance

Description	2022/2023	2021/2022
	Kshs	Kshs
External assistance received as grants	0	0
External assistance received as loans	0	0
External assistance received in kind- as payment by third parties	0	0
Total	0	0

a). External assistance relating loans and grants

Description	2022/2023	2021/2022
	Kshs	Kshs
External assistance received as loans	0	0
External assistance received as grants	0	0
Total	0	0

b) Undrawn external assistance

Description	Purpose for which the undrawn external assistance may be used	2022/2023	2021/2022
		Kshs	Kshs
Undrawn external assistance - loans			
Undrawn external assistance - grants			
Total			

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Other Important Disclosures (Continued)

c) Classes of providers of external assistance

	2022/2023	2021/2022
Description	Kshs	Kshs
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

d. Non-monetary external assistance

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

Other Important Disclosures (Continued)

e Purpose and use of external assistance

Payments made by third parties	2022/2023	2021/2022
Description	Kshs	Kshs
Compensation to employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other Government entities	-	-
Other grants and transfers	-	-
Social Security benefits	-	-
Acquisition of assets	-	-
Finance Costs including loan interest	-	-
Repayment of principal on domestic and foreign borrowing	-	-
Other payments	-	-
Total	-	-

f. External Assistance paid by third parties on behalf of (the Entity) by Source

This relates to external assistance paid directly by third parties to settle obligations on behalf of (the entity This note should tie to line 3 of note 4 on external assistance)).

Description	2022/2023	2021/2022
Description	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

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Other Important Disclosures (Continued)

5. Payments by Third Party on Behalf of the Project

This relates to payments done directly to supplier on behalf of the project such as; national government may fund the operation of health or education program; a donor may pay directly for construction of a given activity

5.1 Classification by Source

Description	Insert Current FY Kshs	Insert Comparative FY Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

(Third party payments may be done by other entities that are not providers of external assistance)

5.2 Classification of payments made by Third Parties by Nature of expenses

Payments made by third parties Description	Insert Current FY Kshs	Insert Comparative FY Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other government units	-	-
Other grants and transfers	-	-
Social security benefits	-	-
Acquisition of assets	-	-
Finance costs, including loan interest	-	-
Other payments	-	-
Total	-	-

Other Important Disclosures (Continued)

6. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The comprise of related parties to the Project

- i) Key management personnel including the program director/manager
- ii) The implementing entity/ministry/ department
- iii) Other Ministries and Departments.
- iv) The National Treasury

Related party transactions:

	Insert Current FY Kshs	Insert Comparative FY Kshs
Compensation to Key Management		
Compensation to the program manager/ director	-	-
Key Management Compensation others (specify)	-	-
Total Compensation to Key Management		
Transfers to related parties		
Transfers to other government entities	-	-
Total Transfers to related parties		
Transfers from related parties		
Transfers from the Ministry/ department	-	-
Payments made on behalf of the project by other govt. entities	-	-
(Insert any other transfers received)		
Total Transfers from related parties	-	-

7. Contingent Liabilities

Contingent liabilities	Insert Current FY Kshs	Insert Comparative FY Kshs
Court case xxx against the project	-	-
Bank guarantees in favour of other govt. entities	-	-
Contingent liabilities arising from PPPs/ donor agreements	-	-
Total	-	-

13. Annexes

Annex 1: Prior Year Auditor-General’s Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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



Name: Mutembei Kigige
Project Coordinator

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

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government	180,000,000.00	139,444,631.65	40,555,368.35	77.47	
Total Receipts	180,000,000.00	139,444,631.65	40,555,368.35		
Payments					
Purchase of goods and services	180,000,000.00	128,484,818.43	51,515,181.57	71.38	
Social security benefits	-				
Acquisition of non-financial assets	-				
Transfers to other government entities					
Other grants and transfers					
Total payments	180,000,000.00	10,959,813.22	- 10,959,813.22		

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Annex 3: Reconciliation of inter-entity transfers

Project Name: Break down of transfers from the State Department of JVEI				
A.	Government Counterpart funding	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			XX	
			XX	
			XX	
	Total		XX	
B.	Direct payments	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		22/8/2022	79,444,631.65	2022/2023
		08/12/2022	30,000,000.00	2022/2023
		12/4/2023	30,000,000.00	2022/2023
	Total		139,444,631.65	
C.	Others	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			XX	
			XX	
	Total		XX	
	Total (A+B+C)		XX	

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Annex 4a: Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted/ Invoiced	Original Amount	Amount Paid To-Date	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022- Restated	Outstanding Balance 2021/2022	Comments
		A	b	c=a-b			
Construction of buildings							
Miles Construction	08/10/2021	444,473,290	183,583,283	260,890,007	312,429,006	323,123,270	The project is at 41% completion.
Sub-Total		444,473,290	183,583,283	260,890,007	312,429,006	323,123,270	
Supply of Goods							
Intertech FZC	23/03/2021	253,456,560	0	253,456,560	253,456,560	253,456,560	The Eastrip project is awaiting disbursement of funds.
Sub-Total		253,456,560	0	253,456,560	253,456,560	253,456,560	
Grand Total		697,929,850	183,583,283	514,346,567	565,885,566	576,579,830	

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Annex 4b: Analysis of Pending: Staff Bills

Name of Staff	Job Group	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Permanent Employees - Management							
1.							
2.							
Sub-Total							
Permanent Employees - Others							
3.							
4.							
Sub-Total							
Temporary employees							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total							

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Annex 4c: Analysis of other Pending Payables

Name	Brief Description	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Amounts due to National Govt Entities							
1.							
2.							
Sub-Total							
Amounts due to County Govt Entities							
3.							
4.							
Sub-Total							
Amounts due to Third Parties							
5.							
6.							
Sub-Total							
Others; NSSF	NSSF Deductions	June,2023	54,000	45,360	8,640	0	
7.							
8.							
Sub-Total							
Grand Total			54,000	45,360	8,640	0	

Annex 5: Summary of Fixed Assets Register

Description	2022/2023			2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of buildings					
Construction of buildings	51,538,998.38	-	51,538,998.38	132,044,284.46	183,583,282.84
Refurbishment of buildings	-	-	-	-	-
Construction of roads	-	-	-	-	-
Construction of civil works	-	-	-	-	-
Overhaul & refurbishment of construction and civil works	-	-	-	-	-
Purchase of vehicles & other transport equipment	-	-	-	-	15,210,000.00
Overhaul of vehicles & other transport equipment	-	-	-	-	-
Purchase of household furniture & institutional equipment	-	-	-	-	-
Purchase of office furniture & general equipment	-	-	-	11,156,695.00	11,156,695.00
Purchase of specialised plant, equipment and machinery	-	-	-	-	5,908,019.00
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	-
Purchase of certified seeds, breeding stock and live animals	-	-	-	-	-
Research, studies, project preparation, design & supervision	-	-	-	-	-
Rehabilitation of civil works	-	-	-	-	-
Acquisition of strategic stocks	-	-	-	-	-
Acquisition of land	-	-	-	-	-
Acquisition of other intangible assets	-	-	-	-	-
Total	<u>51,538,998.38</u>		<u>51,538,998.38</u>	<u>143,200,979.46</u>	<u>215,857,996.84</u>

Annex 6: Contingent Liabilities Register

	Nature of contingent liability	Remarks
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Annex 7: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Annex 8: Reporting Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

