

REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 05 DEC 2024

DAY:

Thursday

REPORT

TABLED
BY:

Hon. Kimani Ichung'wah (leader
of the Majority Party)

CLERK-AT
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OF

THE AUDITOR-GENERAL

ON

**KENYA NAIROBI WESTERN BYPASS PROJECT
(LOAN NO. CHINA EXIM BANK
GCL NO. (2017) 28 TOTAL NO. 633)**

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

**KENYA NATIONAL HIGHWAYS
AUTHORITY**



MINISTRY OF ROADS & TRANSPORT



Kenya National Highways Authority

Quality Highways, Better Connections

PROJECT NAME: NAIROBI WESTERN BYPASS

IMPLEMENTING ENTITY: KENYA NATIONAL HIGHWAYS AUTHORITY

**PROJECT CREDIT NUMBER: CHINA EXIM BANK GCL NO. (2017) 28 TOTAL
NO. (633)**

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

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

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

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

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1 Acronyms and Definition of Terms

CBK	Central Bank of Kenya
CPA	Certified Public Accountant
EIA	Environmental Impact Assessment
ESIA	Environmental Social Impact Assessment
ESMP	Environment and Social Management Plan
EXIM	Export – Import
FY	Financial Year
GOK	Government of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
JKIA	Jomo Kenyatta International Airport
KeNHA	Kenya National Highways Authority
KISM	Kenya Institute of Supplies Management
Kshs.	Kenya Shillings
MoR&T	Ministry of Roads and Transport
NEMA	National Environment Management Authority
PAPs	Project Affected Persons
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
SDG	Sustainable Development Goals
TNT	National Treasury
UA	Unit of Account

NAIROBI WESTERN BYPASS PROJECT

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2 Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is Nairobi Western Bypass

Objective:

The key objective of the project is to increase efficiency of road transport in Nairobi County and neighbouring counties and countries to facilitate trade and regional intergration.

Address:

The project headquarters offices are in Barabara Plaza,

The address of its registered office is Jomo Kenyatta International Airport (JKIA) Off Mazao Road, Nairobi, Kenya

Contacts: The following are the project contacts;

Director General, Kenya National Highways Authority

Po Box 49712-00100, Nairobi.

Telephone: (254) 020 495000

E-mail: dg@Kenha.co.ke

Website: www.kenha.co.ke

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

Project Information and Overall Performance (Continued)

2.2 Project Information

Project Start Date:	April, 2019
Project End Date:	June, 2022 revised to September, 2023
Project Coordinator:	Eng. George Amingh
Project Sponsor:	EXIM Bank of China Government of Kenya

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Roads & Transport.
Project number	China Exim Bank GCL No. (2017) 28 Total No. 633
Strategic goals of the project	The strategic goals of the project were as follows: (i) Improve trade and regional integration and contribute to the Government of Kenya's social and economic development. (ii) Enhance social economic development of the people along the bypass.
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Realisation of the road improvements, implementation of effective transit operations (ii) Scaling up the quantity and quality of road infrastructure, which carry very significant proportion of freight transport.
Other important background information of the project	The length of the main alignment of the project is 16.793 km with approximately 17.31 km of service roads. It starts from Gitaru town and ends at Ruaka. The Bypass mainly follows along the existing road (Gitaru Road) towards the Northeast and then turns to the Southeast near Ndenderu town (Limuru Road). The Western Bypass passes several towns such as Gitaru, Wangige, Ndenderu and Ruaka. The end of the road is at the Two Rivers Mall round about on the Northern Bypass at Ruaka.
Project duration	The project was for a duration of 55 months.

2.4 Bankers

The following are the bankers of the project:

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

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

Project Information and Overall Performance (Continued)

2.5 Independent Auditor

The project is audited by:

The Auditor General
Office of the Auditor - General
P.O. Box 30084 - 00100 GPO
Nairobi

2.6 Roles and Responsibilities

List of the people who are working on the project.

No	Names	Title designation	Key qualification	Responsibilities
1	Eng. Henry Gakuru	Director-Development	Registered Civil Engineer	Project Implementing Team Leader
2	Eng. George Amingh	Deputy Director-Special Projects	Registered Civil Engineer	Project Coordinator
3	Mr. Walter B. Nyatwang'a	Deputy Director Environment & Social Interests	Environmental & Social Specialist	Project Safeguards Specialist
4	Ms. Levina K. Wanyonyi	Deputy Director-Supply Chain Management	Registered KISM	Project Procurement Specialist
5	Ms. Rose Oloo	Assistant Director-Social Interests	Social Development Specialist	Project Social Development Specialist
6	CPA. Chanje Kera	Deputy Director-Finance & Accounts	Registered CPA (K)	Project Financial Specialist

2.7 Funding summary

The Project was for a duration of 55 months from April 2019 to September 2023. The Project's approved budget is Yuan 1,190,253,600 equivalent to Kshs. 20,947,868,233 and amount of Kshs. 624,878,230 by GoK as highlighted in the table below:

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

Project Information and Overall Performance (Continued)

A. Sources of Funds

Source of funds	Donor Commitments		Amount received to date (30th June 2024)		Undrawn balance to date (30th June 2024)	
	Yuan	Kshs	Yuan	Kshs	Yuan	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan						
China Exim Bank	1,190,253,600	20,947,868,233	973,381,362	17,131,025,288	216,872,238	3,816,842,945
(ii) Counterpart Funds						
Counterpart Funds	-	682,137,160	-	682,137,160	-	-
Total	1,190,253,600	21,630,005,393	973,381,362	17,813,162,448	216,872,238	3,816,842,945

B. Applications of Funds

Application of funds	Amount received to date- (30th June 2024)		Cumulative Amount paid to date-(30th June 2024)		Unutilised balance to date	
	Yuan	Kshs	Yuan	Kshs	Yuan	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
i) Loan						
China Exim Bank	973,381,362	17,131,025,288	973,381,362	17,131,025,288	-	-
(ii) Counterpart Funds						
Government of Kenya	-	682,137,160	-	679,041,425	-	3,095,735
Total	973,381,362	17,813,162,448	973,381,362	17,810,066,713	-	3,095,735

2.8 Summary of Overall Project Performance:

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

	2023/2024			Cumulative		
	Budget	Actual	%	Budget	Actual	%
Counterpart Funds - Gok	57,258,930	54,163,195	95%	1,037,853,300	679,041,425	65%
Loan from External Development Partners				17,655,000,000	17,131,025,288	97%
Total	57,258,930	54,163,195	95%	18,692,853,300	17,810,066,713	95%

NAIROBI WESTERN BYPASS PROJECT
Annual Report and Financial Statements for the financial year ended June 30, 2024

Project Information and Overall Performance (Continued)

- ii. Physical progress based on outputs, outcome and impacts since project commencement: -
 The project was completed and taken over by the employer .
- iii. Absorption rate for each year since commencement of the project

FY	Budget	Actual	%
2023/24	200,000,000	54,163,195	27%
2022/23	4,752,500,000	4,305,256,321	91%
2021/22	5,262,500,000	5,214,281,167	99%
2020/21	5,725,000,000	5,664,307,587	99%
2019/20	2,725,053,300	2,570,819,843	94%
2018/19	27,800,000	1,238,600	4%
Total	18,692,853,300	17,810,066,713	95%

Comment on value for money achievements.

- The project procurement process was conducted through International Competitive Bidding (ICB) which results in excellent value for money.
- The authority (KeNHA) has put in place adequate checks & balances on appointment of the works consultant supervision who oversees the project implementation on daily basis on consultation and subsequent approvals from the employer and the bank.
- In addition to works supervision, the consultant undertook design review before commencement of roads construction works to reduce uncertainties.
- The project was regularly audited by Internal Auditors, External Auditors and Quality Assurance Departments.
- Monthly site meetings that involved the employer, the consultant and the contractor.

1.1 Summary of Project Compliance:

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

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

3 Statement of Performance against Project's Predetermined Objectives

Introduction

Section 81(2)(f) /Section 164 (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 implementation plan are to:

1. To improve mobility in the transport for goods and passengers within Kenya and the neighbouring countries such as South Sudan, Uganda, Eastern Congo, Rwanda, Burundi and Northern Tanzania;
2. To improve mobility of traffic within the wider Nairobi metropolitan area. The Western Bypass is one of the major trunk road links in the Nairobi Road Network Master Plan. Its construction will complete the circuit of bypasses around Nairobi which will improve accessibility and improve the running speed of vehicles.

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:

Objective	Outcome	Indicator	Performance
To improve mobility in the transport for goods and passengers within Kenya and the neighbouring countries such as South Sudan, Uganda, Eastern Congo, Rwanda, Burundi and Northern Tanzania	Increased efficient transportation of people, goods and services within the wider Nairobi metropolitan area as well as between Kenya and the neighbouring countries	35 % reduction in travel time between Gitaru (Nakuru-Nairobi highway) and Ruaka (Limuru Road)	The projects main works are complete and taken over.
To improve mobility of traffic within the wider Nairobi metropolitan area	Reduction of traffic congestion within Nairobi metropolitan.	Better traffic movements and less emission.	The projects main works and taken over by the employer.

4 Environmental and Sustainability Reporting

Nairobi Western Bypass Project exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

i) Sustainability strategy and profile

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

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

ii) Environmental performance

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

Environmental and Sustainability Reporting (Continued)

iii) Employee welfare

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

iv) Market place practices

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

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

v) Community Engagements

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

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

NAIROBI WESTERN BYPASS PROJECT
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Environmental and Sustainability Reporting (Continued)

Some of the CSR activities carried out by the project are highlighted in the table below;

NO.	Stakeholder	Date	Venue	Activity
1.	Wangige Market	November 29 th 2019	Wangige Market	CRBC donated Refreshments, T-shirts and Caps with key messaging on HIV/AIDS Awareness was also given to participants as part of our CSR.
2.	Lusingiti/Karai community.	December,2019	Lusingiti Karai	Rehabilitation of Karai – Lusigiti road, Rurii, and installation of drainage culverts channels.
3.	Kabete Community	December,2019	Ndurarua	Donation of branded footballs team uniforms for winners, 1st runners up and 2 nd runners up. And hosting a match on Jamhuri Day
4.	Rungiri Community	January, 2020	Rungiri Community	Donation of Gardening equipment (pangas, slashers, Jembes, wheelbarrows and CRBC branded Overalls.
5.	Karai Residents	February,2020	Karai	Maintenance works to Karai Quarry
6.	Gitaru and Wangige Residents	March, 2020	Gitaru, Wangige	Provision of sanitary installations with running water
7.	Member Karai community	April, 2020	Karai	Medical assistance to Samuel Gichuru
8.	Karai Residents	April/May/2020	Karai	Maintenance of Karai Road
9.	Link Road Residents	05/May/2020	Link Road	Donated Gardening/ Environmental Cleanup Equipment.
10.	Kenya Forest Service	June/2020	Kenya Forest service grounds	Donated 4 houses built by CRBC for KFS Rangers at Ngong Forest
11.	Kenya Railways	June/2020	Dandora Railway Station	Assisted Kenya Railways rescue a derailed cargo train that lasted 23hours.

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

5 Statement of Project Management Responsibilities

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

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


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

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


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

Approval of the Project financial statements


The Project financial statements were approved by the Director General, KeNHA and the Project Management on10 SEP 2024.....and signed by:



Eng. Kungu Ndungu, MBS
Director General



Eng. Henry Gakuru
Director -Development



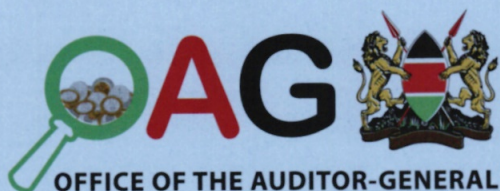
CPA Chanje Kera
Deputy Director (F&A)
ICPAK Member No. 8279

Date 10 SEP 2024

Date 10 SEP 2024

Date 10 SEP 2024

REPUBLIC OF KENYA



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Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON KENYA NAIROBI WESTERN BYPASS PROJECT (LOAN NO. CHINA EXIM BANK GCL NO. (2017) 28 TOTAL NO. 633) FOR THE YEAR ENDED 30 JUNE, 2024 – KENYA NATIONAL HIGHWAYS AUTHORITY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Nairobi Western Bypass Project set out on pages 1 to 28, which comprise of the statement of financial assets and

Report of the Auditor-General on Kenya Nairobi Western Bypass Project (Loan No. China EximBank GCL No. (2017) 28 Total No. 633) for the year ended 30 June, 2024 – Kenya National Highways Authority

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Nairobi Western Bypass Project as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Financing Agreement No.China Exim Bank GCL No.(2017) 28 Total No.(633) between the Government of the Republic of Kenya and the Export – Import Bank of China.

Basis for Opinion

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

Emphasis of Matter

1. Long Outstanding Pending Accounts Payables

Note 7 on other important disclosures and Annex 4 reflects pending accounts payables balance of Kshs.1,691,209,482 in respect of construction of roads and acquisition of land. However, the statement of comparison of budget and actual amounts reflects final budgeted receipts of Kshs.57,258,930 resulting to inadequate budgetary provisions for the settlement of the pending accounts payables. Management did not provide details of the measures put in to settle the pending bills. The Project is at risk of incurring additional costs in form of interest and penalties for failure to settle Project costs as and when the amounts fall due.

2. Lack of Project Closure Report

Paragraph 2.2 on Project Information in the financial statements indicates that the Project start date was April, 2019 and Project end date was June, 2022 revised to September, 2023.

Further, Paragraph 2.7 on Funding Summary indicates that the Project had an approved budget of Yuan 1,190,253,600 equivalent of Kshs.20,947,868,233 to be financed by China Exim Bank while an amount of Kshs.682,137,160 was to be financed as counterpart fundings by the Government of Kenya.

In addition, Paragraph 2.8 on Summary of Overall Project Performance on physical progress based on outputs, outcomes and impacts showed that the Project was completed and taken over by the employer. However, the Project closure report was not provided for audit. Management did not provide an explanation for the failure to close the Project, over a year after the completion date.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

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

Other Information

Conclusion

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

Basis for Conclusion

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described on 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. Interest on Delayed Payments

Note 7 to the to the financial statements and Annex 4 reflects pending accounts payables balance of Kshs.1,637,046,287 which includes amounts of Kshs.1,347,371,712 and Kshs.289,674,575 for the acquisition of land and construction of roads, respectively. Included in the pending accounts payables is an amount of Kshs.4,628,287 in respect of interest charged on delayed payment that could have been avoided.

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

2. Delay in Completion of Project

The statement of receipts and payments and Note 4 reflects acquisition of non-financial assets amount of Kshs.54,163,195 in respect of construction of roads and acquisition of land balances of Kshs.30,000,000 and Kshs.24,163,195, respectively. Review of contract documents revealed that Kenya National Highways Authority and China Road and Bridge Corporation signed addendum 3 contract amounting to Kshs.815,740,720 on 7 March, 2022 for additional road works.

During the time of audit in September, 2024, the implementation status report indicated that works valued at Kshs.326,296,288 had been certified completed and further works valued at Kshs.196,777,772 had been done but not certified resulting to total cost of works done of Kshs.523,074,060 or 64.1% of the additional works. However, only an amount of Kshs.41,250,000 had been paid resulting to the contractor suspending works and abandoning site. In the foregoing, the Project is exposed to litigation costs and penalties due to delayed payments. The Project is at risk of incurring additional costs in form of interest and penalties for failure to settle Project costs as and when the amounts fall due.

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

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is

not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


12 November, 2024

NAIROBI WESTERN BYPASS PROJECT
Annual Report and Financial Statements for the financial year ended June 30, 2024

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

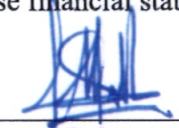
	Note	2023/24			2022/23			Cumulative to date
		Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payments controlled by the entity	Payments made by third parties	Total	
		Kshs.	Kshs.		Kshs.	Kshs.	Kshs.	
Receipts								
Transfer from Government entities	1	57,258,930	-	57,258,930	22,500,000	-	22,500,000	682,137,160
Loan from external Development Partners	2	-	-	-	-	4,282,756,321	4,282,756,321	17,131,025,288
Total receipts		57,258,930	-	57,258,930	22,500,000	4,282,756,321	4,305,256,321	17,813,162,448
Payments								
Purchase of Goods & Services	3	-	-	-	-	-	-	7,978,490
Acquisition of non-financial assets	4	54,163,195	-	54,163,195	22,500,000	4,282,756,321	4,305,256,321	17,802,088,223
Total payments		54,163,195	-	57,258,930	22,500,000	4,282,756,321	4,305,256,321	17,810,066,713
Surplus/ (deficit)		3,095,735	-	3,095,735	-	-	-	3,095,735

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


Eng. Kungu Ndungu, MBS
Director General


10 SEP 2024

Date


Eng. Henry Gakuru
Director-Development

10 SEP 2024

Date


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

10 SEP 2024

Date


NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

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

	Note	2023/24	2022/23
		Kshs	Kshs
Financial Assets			
Cash and Cash Equivalents	5	3,095,735	-
Total Financial Assets (A)		3,095,735	-
Financial Liabilities			
Third party Deposits and Retention		-	-
Total Financial Liabilities (B)			
Net Financial Assets (A-B)		3,095,735	-
Represented By			
Cash and cash equivalents b/fwd		-	-
Surplus/(Deficit) for the Year		3,095,735	-
Net Financial Assets		3,095,735	-


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 10 SEP 2024 and signed by:


Eng. Kungu Ndungu, MBS
Director General

Date 10 SEP 2024


Eng. Henry Gakuru
Director -Development

Date 10 SEP 2024


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

Date 10 SEP 2024

NAIROBI WESTERN BYPASS PROJECT**Annual Report and Financial Statements for the financial year ended June 30, 2024****9 Statement of Cash flows for the year ended 30th June 2024**

Description	Notes	2023/24	2022/23
		Kshs.	Kshs.
Cashflow from operating activities			
Receipts			
Transfers from Government entities	1	57,258,930	22,500,000
Proceeds from domestic & foreign grants			
Total receipts		57,258,930	22,500,000
Payments			
Purchase of Goods and Services		-	-
Total Payments		-	-
Net receipts/(payments)		57,258,930	22,500,000
Net cash flow from operating activities			
Cashflow from investing activities			
Acquisition of non-financial assets	4	(54,163,195)	(4,305,256,321)
Net cash flows from investing activities		(54,163,195)	(4,305,256,321)
Cash flow from financing activities			
Proceeds from foreign borrowings		-	4,282,756,321
Net cash flow from financing activities		-	4,282,756,321
Net increase in cash and cash equivalents	5	3,095,735	-
Cash & cash equivalent at beginning of the year		-	-
Cash and cash equivalent at End of the year		3,095,735	-

NAIROBI WESTERN BYPASS PROJECT**Annual Report and Financial Statements for the financial year ended June 30, 2024****10 Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2024**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfers from Government entities	60,000,000	(2,741,070)	57,258,930	57,258,930	-	100%
Proceeds from foreign borrowings	140,000,000	(140,000,000)	-	-	-	
Total Receipts	200,000,000	(142,741,070)	57,258,930	57,258,930	-	100%
Payments						
Acquisition of non-financial assets	200,000,000	(142,741,070)	57,258,930	54,163,195	3,095,735	95%
Total Payments	200,000,000	(142,741,070)	57,258,930	54,163,195	3,095,735	95%
Surplus or Deficit	-	-	-	3,095,735	(3,095,735)	

Note: The significant budget utilization/performance differences in the last column are explained in Annex 2 to these financial statements.

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

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 Public Sector Accounting Standards Board (PSASB)

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

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

b) Reporting entity

The financial statements are for the Nairobi Western Bypass Project under State Department of Roads. The financial statements are for the reporting entity (Nairobi Western Bypass Project as required by Section 81/ Section 164 of the PFM Act, 2012.

c) Reporting currency

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

d) Recognition of receipts

The Project recognizes all receipts from various sources when an event occurs, and the related cash is received.

i. Transfers from the Exchequer

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

Significant Accounting Policies (Continued)

ii. External Assistance

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

iii. Other receipts

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

iv. Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when 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 the reporting date specified in a binding agreement and relate to funding for the Project currently under development, where conditions have been satisfied, or their ongoing satisfaction is highly likely, and the project is anticipated to continue to completion. The funding summary analyzes the Project's undrawn external assistance

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.

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

Significant Accounting Policies (Continued)

i. Compensation of employees

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

ii. Use of goods and services

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

iii. Interest on borrowing

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

iv. Repayment of borrowing (principal amount)

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

v. Acquisition of fixed assets

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

f) In-kind donations

In-kind contributions are donations made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment, or personnel

Significant Accounting Policies (Continued)

services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

g) Cash and cash equivalents

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

h) Restriction on cash

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

i)

j) 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 are 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.

k) Contingent Liabilities

A contingent liability is:

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

Significant Accounting Policies (Continued)

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

l) Contingent Assets

The Nairobi Western Bypass 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.

m) 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

Significant Accounting Policies (Continued)

the reporting period, they are 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

n) 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.

o) 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.

p) Exchange rate differences

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

Significant Accounting Policies (Continued)

liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

q) Comparative figures

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

r) Subsequent events

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

s) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). There were no prior year adjustments as at June, 30,2024.

NAIROBI WESTERN BYPASS PROJECT**Annual Report and Financial Statements for the financial year ended June 30, 2024****12 Notes to the Financial Statements****1. Transfers from Government Entities**

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

Description	2023/24	2022/23	Cumulative to-date
	Kshs	Kshs	
<i>Counterpart funding through Ministry of Roads and Transport</i>			
Counterpart funds Quarter 1		22,500,000	90,407,231
Counterpart funds Quarter 2	15,086,310	-	18,221,810
Counterpart funds Quarter 3	30,172,620	-	388,713,789
Counterpart funds Quarter 4	-	-	172,794,330
Total (See Annex 3)	45,258,930	22,500,000	670,137,160
<i>Other transfers from government entities</i>			
Total	-	-	-
Appropriations-in-Aid	12,000,000	-	12,000,000
Total	57,258,930	22,500,000	682,137,160

2. Loan from External Development Partners

During the financial period to 30 June 2024, we received funding from development partners in the form of loans negotiated by the National Treasury, as detailed in the table below:

Description	FY 2023/2024					FY 2022/2023	Cumulative to date
	Name of Donor	Date received	Amount in loan currency	Loans received in actual amount	Loans received as direct payment*	Total amount in Kshs	
		USD	Kshs	Kshs	Kshs	Kshs	Kshs
Exim Bank of China	2022/23		-	-	-	4,282,756,321	17,131,025,288
Total		-	-	-	-	4,282,756,321	17,131,025,288

NAIROBI WESTERN BYPASS PROJECT**Annual Report and Financial Statements for the financial year ended June 30, 2024****3. Purchase of Goods and Services**

Description	FY 2023/24			FY 2022/23	Cumulative to- date
	Payments made in Cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	
Domestic travel and subsistence	-	-	-	-	7,971,650
Advertising and services	-	-	-	-	6,840
Total	-	-	-	-	7,978,490

4. Acquisition of Non-Financial Assets

	FY 2023/24			FY 2022/23	Cumulative
	Receipts and payments controlled by the entity	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	
Construction of roads	30,000,000		30,000,000	4,294,006,321	17,172,275,288
Acquisition of land	24,163,195		24,163,195	11,250,000	629,812,935
Total	54,163,195	-	54,163,195	4,305,256,321	17,802,088,223

5. Cash and Cash Equivalents

Description	2023/24	2022/23
	Kshs	Kshs
Bank accounts (Note 5A)	3,095,735	-
Cash equivalents	3,095,735	-

NAIROBI WESTERN BYPASS PROJECT**Annual Report and Financial Statements for the financial year ended June 30, 2024****Notes to the Financial Statements (Continued)****5A Bank Accounts
Project Bank Accounts**

Details	2023/24	2022/23
	Kshs	Kshs
Co-operative Bank of Kenya [A/c No 01141160979900]	3,095,735	
Total bank account balances	3,095,735	

6. Accounts Payables – Retentions

There were no accounts payable-Retention as at 30th June,2024. (30th June 2023-NIL)

Other Important Disclosures**7. Pending Accounts Payable (See Annex 4)**

	Balance b/f FY 2023/2024	Additions for the period	Paid during the year	Balance c/f FY 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Construction of Roads	319,674,575	-	30,000,000	289,674,575
Acquisition of Land	1,371,534,907	-	24,163,195	1,347,371,712
Supply of Services	-	-	-	-
Total	1,691,209,482	-	54,163,195	1,637,046,287

1. External Assistance**a) External assistance relating to loans and grants**

	FY 2023/2024	FY 2022/2023
Description	Kshs	Kshs
External assistance received as loans	-	4,282,756,321
Total	-	4,282,756,321

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2023/2024	FY 2022/2023
Description		Kshs	Kshs
Undrawn external assistance - loans	Road works & consultancy services	3,816,842,945	3,816,842,945
Total		3,816,842,945	3,816,842,945

NAIROBI WESTERN BYPASS PROJECT**Annual Report and Financial Statements for the financial year ended June 30, 2024****c) Classes of providers of external assistance**

	FY 2023/2024	FY 2022/2023
Description	Kshs	Kshs
Bilateral donors	-	4,282,756,321
Total	-	4,282,756,321

*External assistance for road rehabilitation works, studies, design & supervision consultancy services.***Other Important Disclosures (Continued)****d) Non-monetary external assistance**

	FY 2023/2024	FY 2022/2023
Description	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

e) Purpose and use of external assistance

	FY 2023/2024	FY 2022/2023
Description	Kshs	Kshs
Acquisition of Assets	-	4,282,756,321
Total	-	4,282,756,321

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*

	FY 2023/2024	FY 2022/2023
Description	Kshs	Kshs
Bilateral donors	-	4,282,756,321
Total	-	4,282,756,321

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:(Date when the issue is expected to be resolved)
	<p>Basis for qualification Unsupported Acquisition of Non-Financial Assets Expenditure</p> <p>The statement of receipts and payments reflects acquisition of non-financial assets balance of Ksh.4,305,256,321 which as disclosed in Note 4 to the financial statements includes an expenditure of Kshs.11,250,000 in respect of acquisition of land.</p> <p>However, documents provided for audit verification in relation to the acquisition of land revealed that there was delay in land compensation of project affected persons (PAPs) whereby as at 30 June, 2023, the total valuation of land was Kshs.1,986,684,647 of which Kshs.615,149,740 or 31% has being paid resulting to an outstanding balance of Kshs.1,371,534,907 or 69% despite the project having being completed and handed over to the Authority. Further, the valuation report of the parcels of land being acquired in respect of the outstanding balance of Kshs.1,371,534,907 was not provided for audit while the title deeds for the land that has been fully acquired were not provided for audit.</p> <p>In the circumstances, the accuracy and propriety of the payments made for land compensation of Kshs.11,250,000 could not be confirmed.</p>	<p>We agree with the observation that out of the total valuation of Kshs. 1,986,684,647 only 31% equivalent to Kshs. 615,149,740 had been compensated. This is as a result of inadequate GoK budgetary allocations in the current and prior financial years. The Authority shall endeavour to engage the National Treasury to facilitate allocation of adequate/ additional budget, subject to the provided ceiling, in the subsequent years until the pending bills are fully settled.</p> <p>We disagree that the valuation report was not provided. The valuation report for the entire parcel of land amounting to Kshs. 1,986,684,647 was provided during the audit exercise and the same was submitted together with our management letter responses. Attached find valuation report for the pending amount of Kshs. 1.371,534,907.</p> <p>As per the land act, 2012 (rev. 2019), section 121, the National Land Commission (NLC) is supposed to write to the Project Affected Persons (PAPs) to surrender the</p>	<p>Not Resolved</p>	<p>Ongoing</p>

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Date when the issue is expected to be resolved)
		<p>title deeds to the Land Registrar upon completion of the compensation payment. For fully acquired land, the Registrar is supposed to cancel the title deeds. Therefore, the Authority is not given a copy of the title deeds.</p> <p>However, upon full compensation, NLC issues to the PAPs a notice of taking possession and vesting for the acquired land. Copies of the notices are given to the Authority to enable taking possession of the acquired land. Forwarded are the copies of the notices of fully acquired land which had been fully compensated.</p>		
	<p>Emphasis of Matter</p> <p>Pending Bills</p> <p>The financial statements reflect pending accounts payables balance of Kshs.1,691,209,482 as disclosed in Note 1 of the other important disclosures and annex 4 which includes amounts of Kshs.1,371,534,907 and Kshs.319,674,575 for acquisition of land and construction of roads, respectively. The delays in the payment of pending bills may result in significant penalties and interest costs. In addition, failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary</p>	<p>We agree with the observation that the pending bills amounts to Kshs. 1,691,209,482.</p> <p>The Pending bills are as a result of inadequate GoK budgetary allocations in the current and prior financial years.</p> <p>The Authority shall endeavour to liaise with the Parent Ministry and The National Treasury to facilitate allocation of adequate/additional budget, subject to the provided ceiling, in the subsequent years until the pending bills are fully settled</p>	<p>Not Resolved</p>	<p>Ongoing</p>

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:(Resolved/Not Resolved)	Timeframe:(Date when the issue is expected to be resolved)
	provisions for the subsequent year as they form a first charge.			
	<p>Other Matter</p> <p>Unresolved Prior Year Matters</p> <p>In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not provided an explanation on how the issues were resolved.</p>	<p>We have noted the auditor’s observation on unresolved prior year matters.</p> <p>The Authority is working closely with the Parent Ministry and Office of the Auditor General with an aim of resolving all prior year audit matters.</p>	Not Resolved	Ongoing
	Basis for Conclusion			
1	<p>1.1 Unexplained Change of Project Scope</p> <p>The financial statement reflects an amount of Kshs.4,294,006,321 as disclosed in Note 4 being payments to the Contractor in respect of construction of roads. However, review of records revealed that an amount of Kshs.2,569,653,793 was 15% of the 5th instalment of the interim payment certificate (IPC) No.6 while Kshs.1,713,102,528 was 10% final payment of the of the 7th instalment of IPC No.7.</p> <p>Further, the Project made a payment of Kshs.10,912,500 which was a partial payment of an invoice amount of Kshs.163,148,147 in respect of works under addendum No. 3 with a contract sum of Kshs.815,740,740 while Kshs.337,500 was in respect of withholding tax all totalling to Kshs.11,250,000. Although the contractor had invoiced for Kshs.163,148,147 as per the contract</p>	<p>We disagree with the observation that the lender was not notified of the revision of the scope. The lender Export-Import Bank of China was notified of the changes via our letter dated 9th May, 2022.</p> <p>We agree with the observation that the public was not involved in the change of scope. This is because public participation is always a lengthy process that would have interfered with the project fixed timelines for loan disbursements. However, the decision to change the scope was taken during a meeting presided over by the then-PS of roads and other stakeholders.Further</p>	Not Resolved	Ongoing

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Date when the issue is expected to be resolved)																									
	<p>agreement, the Project paid only Kshs.11,250,000, thus leaving a balance of Kshs.151,898,147 unpaid.</p> <p>The Contractor was awarded the initial contract in October, 2017 to carry out design and construction of the Nairobi Western Bypass at a contract sum of USD 170,998,693. The Western Bypass was proposed as a Class A National Trunk Highway with four (4) lanes and a median strip. The works were to be carried out through EPC Contract (FIDIC 1999).</p> <p>The overall length of the main alignment is 16.358 km, with 17.351 km service roads (excluding ramps). The starting point of the main line was to be connected to the end of the Southern Bypass of Nairobi City, intersected with A104, with a full cloverleaf interchange located at the intersection. The end of the road was to be located at Ruaka town, connecting the starting point of the Northern Bypass, and a single-trumpet interchange was set at Km14+ 813, connected with Limuru Road and with six (6) other interchanges set as indicated in the table below: -</p> <table border="1" data-bbox="427 1003 1032 1369"> <thead> <tr> <th data-bbox="436 1010 488 1134">No.</th> <th data-bbox="488 1010 600 1134">Name</th> <th data-bbox="600 1010 712 1134">Central Chain age</th> <th data-bbox="712 1010 846 1134">Interchange Type</th> <th data-bbox="846 1010 1023 1134">Crossed Road & Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="436 1134 488 1193">1</td> <td data-bbox="488 1134 600 1193">Dirt</td> <td data-bbox="600 1134 712 1193">0+855</td> <td data-bbox="712 1134 846 1193">Diamond</td> <td data-bbox="846 1134 1023 1193">E42J2 Class E</td> </tr> <tr> <td data-bbox="436 1193 488 1252">2</td> <td data-bbox="488 1193 600 1252">Wangi ge</td> <td data-bbox="600 1193 712 1252">4+851</td> <td data-bbox="712 1193 846 1252">Diamond</td> <td data-bbox="846 1193 1023 1252">D378 Class D</td> </tr> <tr> <td data-bbox="436 1252 488 1311">3</td> <td data-bbox="488 1252 600 1311">Kihara</td> <td data-bbox="600 1252 712 1311">7+865</td> <td data-bbox="712 1252 846 1311">Diamond</td> <td data-bbox="846 1252 1023 1311">Kihara, Gachie,</td> </tr> <tr> <td data-bbox="436 1311 488 1369">4</td> <td data-bbox="488 1311 600 1369">Ndenderu</td> <td data-bbox="600 1311 712 1369">10+000</td> <td data-bbox="712 1311 846 1369">Clover-Leaf</td> <td data-bbox="846 1311 1023 1369">Limuru Rd Class C</td> </tr> </tbody> </table>	No.	Name	Central Chain age	Interchange Type	Crossed Road & Class	1	Dirt	0+855	Diamond	E42J2 Class E	2	Wangi ge	4+851	Diamond	D378 Class D	3	Kihara	7+865	Diamond	Kihara, Gachie,	4	Ndenderu	10+000	Clover-Leaf	Limuru Rd Class C	<p>the due process for any changes in a project were done.</p>		
No.	Name	Central Chain age	Interchange Type	Crossed Road & Class																									
1	Dirt	0+855	Diamond	E42J2 Class E																									
2	Wangi ge	4+851	Diamond	D378 Class D																									
3	Kihara	7+865	Diamond	Kihara, Gachie,																									
4	Ndenderu	10+000	Clover-Leaf	Limuru Rd Class C																									

NAIROBI WESTERN BYPASS PROJECT

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Reference No. on the external audit Report	Issue / Observations from Auditor					Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Date when the issue is expected to be resolved)
5	Rumenye	12+600	Simple	Class E				
6	Ruaka	14+813	Single Trumpet	D408 Class D				
<p>The following had been considered in designing the interchanges;</p> <ul style="list-style-type: none"> (i) In line with the road network condition and long-term plan, making a scientific overall plan of the interchanges and choosing the final interchange plan after considering the terrain condition; (ii) Safety principle: interchange is accident-prone area; safety is the main concern in the design; (iii) The layout of interchanges is designed try to take up less land and remove fewer people; (iv) The layout of interchanges is designed to stay in harmony with the environment, possess the proper functions and simple form as well. <p>An Environment and Social Impact Assessment (ESIA) on the project had been conducted and the resultant report issued in February, 2017. According to the report, in the various platforms, stakeholders raised concerns about the impact of the proposed project including matters of compensation as a result of loss of land and other assets, loss of business due to relocation, traffic congestion during construction, vegetation clearance, disruption of social life setting as well as reduction in aesthetics since construction projects tend to leave open quarries, borrow pits and other open trenches after project completion, and mostly without rehabilitating the areas. However, they also noted that the project had positive impacts particularly noting improved transport</p>								

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:(Res olved/Not Resolved)	Timeframe:(Dat e when the issue is expected to be resolved)
	<p>convenience, safety and traffic decongestion in the long run, increased employment and trading opportunities, land value appreciation and improved infrastructural developments such as good sewer networks, water connections, internet accessibility, and communication networks, among others, triggered by improved accessibility.</p> <p>Review of information provided revealed that during a meeting held 27 September, 2021, in consideration of Project Costs Appraisal, and with the aim of containing the project costs within the contract sum, the Ministry of Transport & Infrastructure gave a directive to the contractor to the effect that the scope of work was appraised so that the length was appraised to 14.77 km in length, the number of interchanges appraised to 5 (Gitaru, Lower Kabete, Wangige, Kihara and Rumenye) with at-grade intersection provided at Ndenderu. The length of service roads was appraised to 18.1 km.</p> <p>The revision contained in Addendum No.2 factored the following;</p> <ul style="list-style-type: none"> • Omission of Ruaka Interchange • Widening of Medium from 2 to 4m • Increase length of service roads from 17.3 km to a8.17 km • Limit lower Kabete interchange to available land • Omission of Tunnel at Wangige • Scope of work in Ndenderu to be scaled down to the interim-Due to lack of land, do away with the interchange and replace with a at-grade roundabout • Rumenye interchange to be completed as a diamond type interchange. 			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:(Res olved/Not Resolved)	Timeframe:(Dat e when the issue is expected to be resolved)
	<ul style="list-style-type: none"> • Relocation of service roads • Due to modification of interchange at Ndenderu, only one foot bridge be provided for at Km 1+747 • The resultant additional costs of USD 898,769.91 to be borne by the contractor. <p>The effect of shortening the main alignment of the project length by 2.023 km from 16.793 km to 14.77km means that the road would terminate at Ruaka town and not at the Two Rivers Mall to connect with the Northern Bypass.</p> <p>However, the financial implication of the revision has not been clearly explained and broken down per item and therefore could not be confirmed.</p> <p>A Concessional Loan Agreement amounting to CYN 1,190,253,600 equivalent to Kshs.20,947,868,233 for implementation of the Kenya Nairobi Western Bypass was signed on 4 September, 2018 between the Kenya Government and Exim Bank of China and had considered the following factors;</p> <ul style="list-style-type: none"> (i) The Commercial Contact between KeNHA and CRBC (ii) Drawdown Schedule submitted by the Borrower and recognized and accepted by the Lender. (iii) Sub-contract for design acceptable to the lender duly signed by all parties, if any (iv) Plan for land acquisition and house demolition acceptable to the Lender. <p>However, there was no evidence provided that these factors, and the attention of the lender was considered in revision of the scope, and that a No objection of the changes was obtained from the lender.</p>			

NAIROBI WESTERN BYPASS PROJECT

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Date when the issue is expected to be resolved)
	In the circumstances, there is a risk of legal challenges by the public and other stakeholders who may not be satisfied with the project implementation.			
	<p>1.2 Conflicting Information on Project Implementation for the Gitaru Interchange</p> <p>Construction of the Gitaru interchange works was to be executed under the scope of the Nairobi Western Bypass Project which was communicated on 5 February, 2019 by the Project Management. However, the Project or employer wrote to the contractor on 27 April, 2020 and communicated that the Gitaru interchange works would be executed under the James Gichuru -Rironi A104 Project.</p> <p>This led to a complaint by the contractor who issued an invoice amounting to USD 152,678.78 for work already done on the section namely; concept design and traffic management plans it had developed while anticipating the execution of the works. This has led to contradicting information on the status of the Gitaru interchange which remains unexecuted to-date.</p> <p>At the time of audit, on 4 October, 2023 there was no sign of works on construction of the interchange and it is not clear whether this will happen in the foreseeable future.</p> <p>In the circumstances there is a possibility of conflict between the employer and contractor, possible additional (escalation of) costs in compensation to the</p>	<p>We disagree with the observation that the Gitaru interchange was to be executed under Western bypass. The Gitaru interchange was never considered as part of the Western Bypass project.</p> <p>However, the contractor had completed a traffic management plan and concept layout for the interchange and submitted it to KeNHA with the idea that the interchange would be completed under the project. This led to the claim of USD 152,678.78 that would be analysed and evaluated by the Authority before any payments are made.</p> <p>We agree with the observation that no works have been executed under Gitaru interchange. However, the project will be executed under the NUTRIP project whose works are still underway.</p>	Not Resolved	Ongoing

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Date when the issue is expected to be resolved)
	contractor and the works at the Gitaru interchange remain undone thus endangering the lives of road users at the busy intersection of the highway.			
		<p>We agree with the observation that the pending bills for land compensation is Kshs. 1,371,534,907. The Pending bills are as a result of inadequate GoK budgetary allocations in the current and prior financial years.</p> <p>The Authority shall endeavour to engage the National Treasury to facilitate allocation of adequate/additional budget, subject to the provided ceiling, in the subsequent years until the pending bills are fully settled</p>		
	<p>1.3 Delay in Land Acquisition and Compensation of Project Affected Persons</p> <p>The road project commenced on 24 April, 2019 and the works were expected to be completed by 30 September, 2023 with actual completed in the month of June, 2023. However, out of the balance of Kshs.1,986,684,647 intended for compensation of landowners (persons affected by the project - PAPs) only an amount of Kshs.615,149,740 or 31% had been paid by the time of the audit, leaving a pending amount of Kshs.1,371,534,907.</p>	<p>We agree with the observation that the pending bills for land compensation is Kshs. 1,371,534,907. The Pending bills are as a result of inadequate GoK budgetary allocations in the current and prior financial years.</p> <p>The Authority shall endeavour to engage the National Treasury to facilitate allocation of adequate/additional budget, subject to the provided ceiling, in the</p>	Not Resolved	Ongoing

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Date when the issue is expected to be resolved)
	<p>Delay in land acquisition and compensation may result in project taking a longer time to deliver since the right of way was not availed in time for construction activities to commence. This may lead to an escalation of costs as the contractor may seek compensation for delayed time and idle equipment time and may also lead to dispute where aggrieved parties (uncompensated PAPs) may seek legal redress which may attract legal penalties.</p>	<p>subsequent years until the pending bills are fully settled</p>		
	<p>1.4 Project progress An audit inspection visit carried out on 4 October, 2023 revealed the following observations in addition to the revised works;</p> <p>i. Unjustified Suspension of works under addendum 3</p> <p>Review of records revealed that in January 2022, the Contractor was informed and granted additional work included in Addendum No. 3 to the contract of an amount of Kshs.815,740,720, which included the following work items:</p> <p>a) Construction of a storm water outfall at Kanjeru from WK 0+147 LHS to the Gathara River, a 500m distance, to divert water off the A104 and prevent floods at Kanjeru;</p> <p>b) Bituminous upgrade of the 1 km Gatumumu Road from the underpass at WK 2+900 to Ramp A of the Lower Kabete Interchange;</p> <p>c) Connection of Service Road No. 1 to Gitaru 1 Interchange Ramp A; and</p>	<p>We agree with the observation that the contractor had suspended works. This was due to non-payment of certified IPCs under addendum No.3.</p> <p>The non-payment is due to inadequate GoK budgetary allocations in the current and prior years. The Authority shall endeavour to engage the National Treasury to facilitate allocation of adequate/additional budget, subject to the provided</p>	<p>Not Resolved</p>	<p>Ongoing</p>

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Date when the issue is expected to be resolved)
	<p>d) Improvements to Service Road 18 from the Kirangari overpass to Njathaini (approximately 5.1 Km). According to the letter Ref No. KeNHA/CRBC/W-BYPASS/510/2022 dated 19 September, 2022 by the employer, the Contractor was forced to suspend pending works under addendum No. 3 due to non-payment for the work done as required by the contract. As at the time of audit and in light of the suspension, the Contractor had demobilized the machines and associated equipment from the site</p>			
	<p>ii. Encroachment of Roads During the audit inspection visit, cases of encroachment of road reserves were noted as follows;</p> <ul style="list-style-type: none"> • Lower Kabete Interchange: Traders were observed to have established temporary structures for business purposes. • Wangige Interchange: Hawkers were found displaying their wares along the road reserve and on the two box culverts. • Karura Interchange: Traders were observed to have established temporary structures for business purposes. • Ndenderu Roundabout: Traders were observed to have established temporary Business structures. • Ruaka: A perimeter wall has been erected on the road reserve 	<p>We agree with the observation on encroachment. However, we wish to clarify that the project has been handed over to the Authority and a certificate of performance has been issued to the contractor. Once the project is handed over to the Authority, encroachment issues are handled by the maintenance department. The maintenance department are currently in the process of including it for Performance Base Contracting (PBC).</p>	<p>Not Resolved</p>	<p>Ongoing</p>
	<p>iii. Non-provision of Footbridges and Bus-stops</p>	<p>We agree with the observation on footbridge. The footbridge was installed at WK 1+747 as per the scope of works, the</p>	<p>Not Resolved</p>	

NAIROBI WESTERN BYPASS PROJECT


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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Date when the issue is expected to be resolved)
	<p>During the audit inspection it was observed that in the entire length of the Western By-pass there was only one footbridge near Gitaru which was hardly used by pedestrians. Consequently, the pedestrians along the road were endangering their lives by crossing at undesignated crossings.</p> <p>This may be an indicator of poor feasibility studies done on the road by the Project Management and poor service delivery since the needs of pedestrians may not have been taken into consideration.</p> <p>Further, it was observed that the designated bus-stops along the road were not well marked or were not provided at all since public service vehicles and school buses usually stop on the road thus endangering the lives of other road users.</p>	<p>only centre in the project without an interchange or over/underpass. There is also a median safety barrier to dissuade people from crossing the road. Further if there would be need for additional footbridges, a survey would be done by the Maintenance team, and such would be installed if the budget allows.</p> <p>We agree with the observation on bus stops. All bus stops are located on service roads since it is assumed that passengers will come from locations near those service roads. There are no bus stops on the main route to avoid vehicles starting and stopping on the bypass main road. This will also guarantee that traffic moves quickly, which is what the bypass road is intended for. Passengers are expected to exit their vehicles off service roads to enable through traffic to flow freely.</p>		
	<p>iv. Poor Road Maintenance</p> <p>Works on the Nairobi Western Bypass have been completed and road handed over to the employer. However, during the audit inspection exercise it was observed that all along the road, there were overgrown bushes, clogged drainages and worn-out rip rap and soil protection works.</p>	<p>We agree with the observation. The bushes, clogged drainage & worn-out rip rap and soil protection work shall be maintained once the project is scheduled for routine maintenance.</p> <p>The median fence is intended to stop individuals from crossing recklessly. Any</p>	Not Resolved	Ongoing

NAIROBI WESTERN BYPASS PROJECT

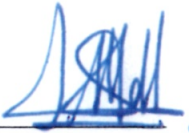
Annual Report and Financial Statements for the financial year ended June 30, 2024

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	<p>Further, the barriers erected along the middle of the dual carriage way had been vandalized in some areas and pedestrians were crossing at undesignated crossings thus endangering their lives.</p> <p>In addition, the streetlights erected along the road were not working in some sections and therefore there was poor visibility at night thus endangering the lives of road users.</p> <p>The benefits to the residents of the area envisaged as well as value for money of the project may not be realized. Further, the contractor may seek legal redress for failure to honour contractual obligations by the employer.</p>	<p>vandalism will be dealt with appropriately once the maintenance team is on board.</p> <p>The streetlights are operational, and any outages will be handled by the routine maintenance.</p>		


Eng. Kungu Ndungu, MBS
Director General

10 SEP 2024

Date


Eng. Henry Gakuru
Director-Development

10 SEP 2024

Date

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 2 - Variance explanations - Comparative Budget and Actual Amounts for FY 2023-2024


	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilisation	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Government of Kenya	57,258,930	57,258,930	-	100%	
External financing	-	-	-	-	
Total receipts	57,258,930	57,258,930	-	100%	
Payments					
Purchase of goods and services	57,258,930	54,163,195	3,095,735	95%	
Acquisition of non-financial assets					
Total Payments	57,258,930	54,163,195	3,095,735	95%	


NAIROBI WESTERN BYPASS PROJECT

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Annex 3 - Reconciliation of inter -entity transfers.

PROJECT NAME:		Nairobi Western Bypass		
Breakdown of Transfers from the State Department of Roads				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY to which the amounts relate</u>
A	Government Counterpart funding			
	Quarter 1			
	Quarter 2	11-Oct-23	15,086,310	FY 2023/24
	Quarter 3	29-Mar-24	30,172,620	FY 2023/24
	Quarter 4			
			57,258,930	
B	Direct payments		-	
C	Others		-	
	Appropriations-in-Aid	14-May-24	12,000,000	
	Total (A+B+C)		57,258,930	


Eng. Kungu Ndungu, MBS
Director General


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

NAIROBI WESTERN BYPASS PROJECT

Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 4 - Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted/ invoiced.	Original Amount	Amount Paid To-Date	Outstanding Balance 2023/2024	Outstanding Balance 2022/2023	Comments
		a	b	c=a-b		
Land Compensation						
Land Compensation		1,986,684,647	639,312,935	1,347,371,712	1,371,534,907	
Sub Total		1,986,684,647	639,312,935	1,347,371,712	1,371,534,907	
Construction of roads						
China Road & Bridge Corp	30/06/2020	4,628,287	-	4,628,287	4,628,287	1A
China Road & Bridge Corp	27/05/2022	163,148,144	41,250,000	121,898,144	151,898,144	1-Adendum 3
China Road & Bridge Corp	15/11/2022	163,148,144	-	163,148,144	163,148,144	2-Adendum 3
Sub Total		330,924,575	41,250,000	289,674,575	319,674,575	
Grand Total		2,317,609,222	680,562,935	1,637,046,287	1,691,209,482	

NAIROBI WESTERN BYPASS PROJECT**Annual Report and Financial Statements for the financial year ended June 30, 2024****Annex 5 – Summary of Fixed Assets Register**

Asset class	Opening Cost (KShs) 2023/24	Purchases/Additions in the Year (KShs) 2023/24	Disposals in the Year (KShs) 2023/24	Closing Cost (KShs) 2023/24
	(a)	(b)	(c)	(d)= (a)+ (b)-(c)
Construction of Roads	17,142,275,288	30,000,000	-	17,172,275,288
Land	605,649,740	24,163,195	-	629,812,935
Total	17,747,925,028	54,163,195	-	17,802,088,223