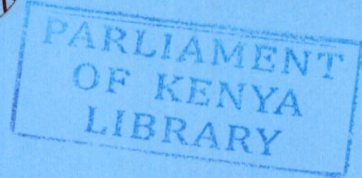


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

OF

DATE: 10 FEB 2022

DAY

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TABLED
BY:

LDM

THE AUDITOR-GENERAL

CLERK AT
THE TABLE:

B. Inzofu

ON

**ESTABLISHMENT OF KENYA ADVANCED
INSTITUTE OF SCIENCE AND
TECHNOLOGY(KAIST) PROJECT NO KEN-4**

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

**MINISTRY OF EDUCATION - STATE
DEPARTMENT FOR UNIVERSITY EDUCATION**





PROJECT NAME

**ESTABLISHMENT OF KENYA ADVANCED INSTITUTE OF SCIENCE AND
TECHNOLOGY PROJECT**

IMPLEMENTING ENTITY

**MINISTRY OF EDUCATION
STATE DEPARTMENT FOR UNIVERSITY EDUCATION AND RESEARCH
PROJECT GRANT/ CREDIT NUMBER EDCF LOAN No. KEN-4**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE, 2021**

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

TABLE CONTENTS

1.	PROJECT INFORMATION AND OVERALL PERFORMANCE.....	ii
2.	STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES.....	ix
3.	CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	x
4.	STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES	xii
5.	REPORT OF THE INDEPENDENT AUDITOR ON THE ESTABLISHMENT OF KENYA ADVANCED INSTITUTE OF SCIENCE AND TECHNOLY PROJECT	xiv
6.	STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE, 2021.....	1
7.	STATEMENT OF CASHFLOWS FOR THE PERIOD 30 JUNE, 2021	3
8.	STATEMENT OF COMPARISON BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE, 2021.....	4
9.	SIGNIFICANT ACCOUNTING POLICIES	5
10.	NOTES TO THE FINANCIAL STATEMENTS	12
11.	OTHER IMPORTANT DISCLOSURES.....	17
12.	PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS.....	19
13.	ANNEXES.....	20

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Official Project Name

Establishment of Kenya Advanced Institute of Science and Technology (KAIST)

1.2 Key Objectives

- i) The key objective of the project is to produce highly qualified scientists and engineers with both theoretical and practical knowledge of the future industries in Kenya and the East African region at large. The production of well-trained graduates in science and technology will contribute to knowledge based economy and sustained growth in innovation.
- ii) To promote relevant Research and Development through promotion of industrial- academic collaboration for stimulating of technological and industrial transformation. This aims at making Kenya industrially competitive in the globe by transforming it into an industrializing middle-income country as envisioned in the Kenya vision 2030.

1.3 Address

Headquarters
Ministry of Education
Jogoo House “B”
Harambee Avenue
P.O. Box 9583-00200
Nairobi

The project also has offices as follows:
Directorate of University Education
Teleposta towers
Kenyatta Avenue
Nairobi

1.4 Contacts:

Telephone: (+254722640924)
Email: evans.atambo@education.go.ke

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.5 Project Information

Project Start Date:	The project start date is 28 th December 2017
Project End Date:	The project end date is 24 th September 2023
Project Manager:	The project manager is Mr Evans Atambo
Project Sponsor:	The project sponsor is Export- Import Bank of Korea. (Government Agency for International Development)

1.6 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Education, State Department of University Education
Project number	EDCF loan No. KEN-4
Strategic goals of the project	The strategic goals of the project are as follows: (i) To provide high quality education in science and Technology so as to generate high skilled engineers and scientists with both theory and practical knowledge. (ii) To conduct socially relevant Research and Development thereby improving national competitiveness and transform Kenya into knowledge-based economy.
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Establishing and appropriately equipping of a new advanced and independent university and introduce therein, a truly innovative approach to higher education science and technology. (ii) Formulating a curriculum different from the one in existing universities in such a manner that it will emphasise on applied science and technology, problem solving skills and hands on experience.
Other important background information of the project	The project is in line with the government of Kenya long term strategic development plan outlined in Kenya Vision 2030 which aims at transforming Kenya into a newly industrialised middle-income country by 2030. Since one of the major factors in achieving the

	vision is the utilisation of science and technology to fast track modernisation, the project was envisioned and developed to assist in boosting of this factor.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) To fill the gap in existing institutions which have a deficiency in provision of high-quality science and technology education and research causing many students to give up on Science, Technology, Engineering and Mathematics (STEM) carriers or to leave the country for better education opportunities abroad
Project duration	The project started on 28 th December 2017 and is expected to run until 24 th September 2023

1.7 Bankers

The project does not have a dedicated banker/ bank account in the year under review. All donor payments were made directly by the donor while GoK counterpart funds were paid through the State Department of University Education's development bank account.

1.8 Auditors

The project is audited by
Auditor- General, Kenya
Anniversary Towers
P.O. Box 30084-00100,
Nairobi

1.9 Roles and Responsibilities

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

Name	Designation	Academic qualification	Key Responsibilities
Prof. George A.O. Magoha, EGH	Cabinet Secretary	PhD	Overall policy direction on the management of the project.
Amb. Simon Nabukwesi, CBS	Principal Secretary	Masters	Accounting officer of the project.
Evans M. Atambo	Assistant Director of Education	Master's in Education	Project co-ordination at the Ministry.
Robert A.Samuel	Assistant Accountant General	Masters, CPA(K),	Ensure Processing payments for project activities, Preparation of project Financial statements.
Bernard Were	Project Accountant	Bachelors in Commerce	Process payments, Preparation of financial reports.

1.10 Funding summary

The Project is for duration of three years from December 2017 to December 2020 with an approved budget of US\$ 136,392,000 equivalent to KShs 13,952,669,734 as highlighted in the table below:

Below is the funding summary:

a) Source of Funds

Source of funds	Donor Commitment-		Amount received to date (30 June, 2021)		Undrawn balance to date (30 June, 2021)	
	<i>USD</i>	<i>KShs</i>	<i>(USD)</i>	<i>KShs</i>	<i>(USD)</i>	<i>KShs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Loan						
The Export-Import Bank of Korea.(Government Agency of the EDCF)	94,697,000	9,687,342,115	18,469,034	1,843,831,137	76,227,966	7,843,510,978
(ii) Counterpart funds						
Government of Kenya	41,695,000	4,265,327,619	1,127,772	105,851,750	40,567,228	4,159,475,869
Total	136,392,000	13,952,669,734	19,596,806	1,949,682,887	116,795,194	12,002,986,847

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

b) Application of Funds

Application of funds	Amount received to date (30 June 2021)		Cumulative Amount paid to date (30 th June 2021)	Unutilised (30 June 2021)
	<i>Donor currency</i> (A)	<i>Kshs</i> (A')	<i>Kshs</i> (B')	<i>Donor currency</i> (A)-(B')
i) Loan				
The Export-Import Bank of Korea.(Government Agency of the EDCF)	18,469,034	1,843,831,137	1,843,831,137	
1. Counterpart funds				
Government of Kenya	1,127,772	105,851,750	105,851,750	
Total	19,596,806	1,949,682,887	1,949,682,887	

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.11 Summary of Overall Project Performance:

- i) During the year under review the project utilised 76% of the GoK budget and 80% of donor budget provided.

- ii) The project is progressing well and on course. The year under review, a contractor was procured and the contract signed for the commencement of construction work.

1.12 Summary of Project Compliance:

Since commencement of the project, it has not had any instances of non- Compliance.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT’S PREDETRMINED OBJECTIVES

The key development objectives of the project plan are to:

1. To produce highly qualified scientists and engineers with both theoretical and practical knowledge of the future industries in Kenya and the East African region at large. The production of well-trained graduates in science and technology will contribute to knowledge based economy and sustained growth in innovation.
2. To promote relevant Research and Development through promotion of industrial-academic collaboration for stimulating of technological and industrial transformation. This aims at making Kenya industrially competitive in the globe by transforming it to an industrializing middle income country as envisioned in the Kenya Vision 2030

Progress on attainment of Strategic development objectives

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

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Establishment of Kenya Advanced Institute of Science and Technology	To produce highly qualified scientists and engineers	Highly qualified scientists and engineers	Number of scientists and engineers	Number of engineering and science programmes mounted.
	To promote relevant Research and Development through promotion of industrial-academic collaboration for stimulating of technological and industrial transformation	Enhanced quality of graduates in engineering and manufacturing economic productive sectors	Number of industrial-academic collaborations	Number of industrial-academic collaborations initiated
			Number of Research initiatives Conducted in target faculties	Number of Research initiatives undertaken in target faculties

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Establishment of Kenya Advanced Institute of Science and Technology 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) Strategy and Sustainability Profile

To ensure operational sustainability, of the Establishment of Kenya Advanced Institute of Science and Technology Project, the following are areas of focus;

a) Policy

The Establishment of Kenya Advanced Institute of Science and Technology Project development objective and its interventions are anchored within the overall long-term Government blueprint for development, the Vision 2030, its second Medium Term Plan (MTP 2), third Medium Term Plan (MTP 3). They are further aligned to the University strategy, Sessional Paper No. 1 2019, on A policy Framework on Reforming Education and Training for Sustainable development in Kenya among other key policy and legal documents such as the Big Four Agenda, the Universities Act, 2012 as well as new University Act, Science Technology and Innovation Act, 2013 and its policy among others.

b) Stakeholder involvement

The project will derive its sustainability through the involvement of key stakeholders in all processes of procurement of the contractor and equipment including development of specifications, bid evaluation, delivery, installation, commissioning as well as inspection and acceptance of goods. In addition, the selection of students will entail advertising for eligible candidates who will be selected based on meritocracy.

c) Capacity Building and Training on Use and Maintenance of Equipment

Training on use and maintenance of equipment will be a key component once the institution is set up. The staff recruited both academic, technologists and technicians will be adequately trained to ensure proper use, troubleshooting and undertaking regular

repair and maintenance of the laboratory equipment. The University once set up will be expected to sign service level agreements with equipment suppliers to undertake regular maintenance and repair of any equipment that breaks down.

d) Resource mobilization

The Institute once set up will be allocated funds for recurrent expenditure and will be required to set aside funds to assist in maintenance of equipment enhancing sustainability. The Institute will also set up an endowment fund that will attract sponsorship from industry.

ii) Collaborations and partnerships

The Establishment of Kenya Advanced Institute of Science and Technology Project aims to strengthen institutions through establishment of collaborations, linkages and partnerships between the Universities, research institutions and industries to enhance the quality and relevance of education and training. This will provide avenues for industrial attachment for students and staff while at the same time facilitating technology transfer, sharing of resources, complementarity of service delivery, knowledge sharing and revenue generation.

iii) Environmental Performance.

The Establishment of Kenya Advanced Institute of Science and Technology Project has no significant environmental impacts. The site preparation, design, construction and operation undertaken through this project shall be implemented in line with the Kenya government's environmental laws and regulations and Economic Development Cooperation Fund's (EDCF) safeguard policy.

There is no land acquisition or resettlement is required under this project. The institute shall be constructed on unoccupied land owned by the government at Konza Technopolis.

iv) Community engagement

One of the missions of universities is to provide community service/outreach benefits to the community near the university in order to help solve the challenges facing the society.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Principal Secretary for the Ministry of Education, State Department of University Education and the Project Coordinator for Establishment of Kenya Advanced Institute of Science and Technology (KAIST) Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on 30 June, 2021

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

The Principal Secretary for the Ministry of Education, State Department of University Education and the Project Coordinator for Establishment of Kenya Advanced Institute of Science and Technology (KAIST) Project 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.

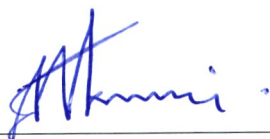
The Principal Secretary for the Ministry of Education, State Department of University Education and the Project Coordinator for Establishment of Kenya Advanced Institute of Science and Technology (KAIST) Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended 30 June, 2021 and of the Project's financial position as at that date. The Principal Secretary for the State Department for University Education and the Project Coordinator for the Establishment of Kenya Advanced Institute of Science and Technology (KAIST) project 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.

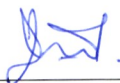
The Principal Secretary for the Ministry of Education, State Department of University Education and the Project Coordinator for Establishment of Kenya Advanced Institute of Science and Technology(KAIST) Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the Principal Secretary for the of Ministry of Education, State Department of University Education and the Project Coordinator for Establishment of Kenya Advanced Institute of Science and Technology (KAIST) Project on 30 September, 2021 and signed by them.



Amb. Simon Nabukwesi, CBS
Principal Secretary



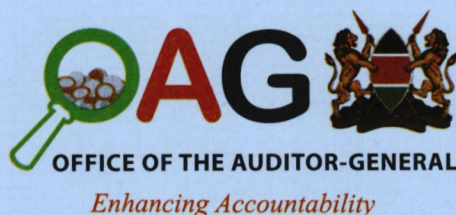
Evans Atambo
Project coordinator



CPA Robert A. Samuel
Assistant Accountant General
ICPAK NO. 10100

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR GENERAL ON ESTABLISHMENT OF KENYA ADVANCED INSTITUTE OF SCIENCE AND TECHNOLOGY(KAIST) PROJECT NO KEN-4 FOR THE YEAR ENDED 30 JUNE, 2021- MINISTRY OF EDUCATION- STATE DEPARTMENT FOR UNIVERSITY EDUCATION

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, gazetted notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution 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 Establishment of Kenya Advanced Institute of Science and Technology Project set out on pages 1 to 20, which comprise the statement of financial assets as at 30 June, 2021, statement of receipts and payments, statement of cash flows and the statement of comparative 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 the Establishment of Kenya Advanced Institute of Science and Technology Project as at 30 June, 2021 and of its financial performance and its cash flows for the year ended in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the terms of Loan Agreement No.KEN-4 of 28 December, 2017 and the Loan Agreement No.KEN-4 dated 28 December, 2017 between the Republic of Korea through The Export-Import Bank of Korea(Government Agency for the Economic Development Cooperation Fund, EDCF) and the Government of Kenya and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Acquisition of Asset

The Project's financial records show that the project has been ongoing for four (4) years since the signing of the loan agreement on 28 December, 2017 and accumulated expenditure amounting to Kshs.1,843,831,137. However, site visit made on 7 October, 2021 revealed that there is nothing tangible on the ground in terms of construction or any form of activity.

Further, it was noted that despite there being no evidence of activities on the ground, the financial records reflected buildings and structures valued at Kshs.461,135,997.00.

Notwithstanding the delay in implementing for the Project the Government of Kenya as per the requirement of Article 1 Section 1.02 on general terms and conditions of the loan agreement, ought to have made four (4) semi-annual consecutive repayments of the loan on February, 2020, August, 2020, February, 2021, and August, 2021. It is evident that there is interest being charged on loan even though there is no tangible benefit therefrom money received by the Project.

Although the Management indicated that the Contractor has taken over the site, subsequent to the auditors visit on 7 October 2021, no site handover report was provided to support the commencement

2. Purchase of Goods and Services

The statement of receipts and payments and Note 3 of the financial statements reflect purchase of goods and services amounting to Kshs.77,779,821 which was observed to have the following anomalies:

- i. Consultancy services paid from the Project funds amounting to Kshs.24,135,000 related to construction of physical science laboratories phase 1 which is a different Project.
- ii. The fuel and lubricants expenditure amounting to Kshs.8,151,530 charged to project expenditures yet the motor vehicles were used by the Ministry officials.
- iii. The routine maintenance of other assets amounting to Kshs.3,368,275 was charged to the Project yet it owns no assets.
- iv. The domestic travel cost of Kshs.24,661,068 could not be linked to Project activities.

Consequently, the accuracy and validity of payment in respect to purchase of goods and services amounting to Kshs.77,779,821 for the year ended 30 June, 2021 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters 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 matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Project Motor Vehicles

The Project Management unit procured two high-end vehicles with a total value of Kshs.25,030,030 for use by the project in executing project activities. However, the vehicles were not used for project activities but were used by Ministry's officials for non-project activities. This is contrary to Public Finance Management Act, 2012 section 72.(1)(3) which states that, the accounting officer for a National Government entity shall not loan or transfer assets to any person or organization or permit any person or organization to use assets for purposes other than carrying out the functions of the entity, except in accordance with an Act of Parliament enacted pursuant to Article 227 of the Constitution.

Further, the use of the motor vehicles also contravenes section 139.(1) Public Finance Management Regulations,2015 which states that the accounting officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets and that;

- (a) Preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse and;
- (b) Movement and conditions of assets can be tracked;

Consequently, the management is in breach of the law.

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.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Economic Development Cooperation Fund Loan Agreement No.KEN-4 I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Economic Development Cooperation Fund Loan Agreement No.KEN-4, so far as appears from the examination of those records; and,
- iii. The financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the ability to continue as a going concern/sustain 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.

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 the 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Institute'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 the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

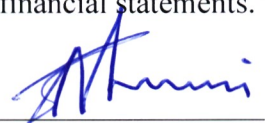
Nairobi

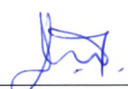
24 December, 2021

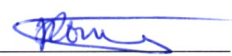
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE, 2021.

	N o t e	2020/2021			2019/2020			Cumulative to- date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	
		KSh s	KShs		KSh s	KShs		
RECEIPTS								
Transfer from Government entities	1	103,010,821	-	103,010,821	2,840,929	-	2,840,929	105,851,750
Loan from external development partners	2	-	1,382,695,140	1,382,695,140	-	211,135,997	211,135,997	1,843,831,137
TOTAL RECEIPTS		103,010,821	1,382,695,140	1,485,705,961	2,840,929	211,135,997	213,976,926	1,949,682,887
PAYMENTS								
Purchase of goods and services	3	77,779,821	-	77,779,821	2,448,929	-	2,448,929	80,228,750
Acquisition of non-financial assets	4	25,231,000	1,382,695,140	1,407,926,140	392,000	211,135,997	211,527,997	1,869,454,137
TOTAL PAYMENTS		103,010,821	1,382,695,140	1,485,705,961	2,840,929	211,135,997	213,976,926	1,949,682,887
SURPLUS/ (DEFICIT)		-	-	-	-	-	-	-

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 30 September, 2021 and signed by:


 Amb. Simon Nabukwesi, CBS
 Principal Secretary


 Evans Atambo
 Project coordinator

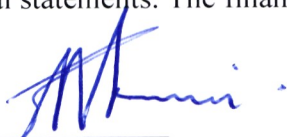

 CPA Robert A. Samuel
 Assistant Accountant General
 ICPAK NO. 10100

Establishment of Kenya Advanced Institute of science and Technology (KAIST) Project
Reports and financial statements
For the financial year ended 30 June, 2021

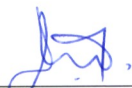
TATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE, 2021

	Note	2020-2021	2019-2020
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	5.1A	-	-
Cash Balances	5.1B	-	-
Cash Equivalents (short-term deposits)	5.1C	-	-
Total Cash and Cash Equivalents		-	-
Accounts Receivables	6	-	-
TOTAL FINANCIAL ASSETS		-	-
FINANCIAL LIABILITIES			
Payables- Deposits and Retentions	7	-	-
NET ASSETS		-	-
REPRESENTED BY			
Fund balance b/fwd	8	-	-
Prior year adjustments		-	-
Surplus/(Deficit) for the year		-	-
NET FINANCIAL POSITION		-	-

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Amb. Simon Nabukwesi, CBS
Principal Secretary



Evans Atambo
Project coordinator




CPA Robert A. Samuel
Assistant Accountant General
 ICPAK NO. 10100


Establishment of Kenya Advanced Institute of science and Technology (KAIST) Project
Reports and financial statements
For the financial year ended 30 June, 2021


7. STATEMENT OF CASHFLOWS FOR THE PERIOD 30 JUNE, 2021

		2020-2021	2019-2020
	Note	KShs	KShs
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities			
Transfer from Government entities	1	103,010,821	2,840,929
Payments from operating activities			
Purchase of goods and services	3	(77,779,821)	(2,448,929)
Adjustments during the year			
Net cash flow from operating activities		25,231,000	2,448,929
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	4	(1,407,926,140)	(392,000)
Net cash flows from Investing Activities		(1,407,926,140)	392,000
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	3	1,382,695,140	211,135,997
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		-	-
Cash and cash equivalent at BEGINNING of the year		-	-
Cash and cash equivalent at END of the year		-	-

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 30 September, 2021 and signed by:


 Amb. Simon Nabukwesi, CBS
Principal Secretary


 Evans Atambo
Project coordinator


 CPA Robert A. Samuel
Assistant Accountant General
 ICPAK NO. 10100

Establishment of Kenya Advanced Institute of science and Technology (KAIST) Project
Reports and financial statements
 For the financial year ended 30 June, 2021

8. STATEMENT OF COMPARISON BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE, 2021

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						
Transfer from State Department of University Education	180,000,000	(72,000,000)	108,000,000	103,010,821	4,989,179	95.4
Proceeds from borrowings	750,000,000	633,000,000	1,383,000,000	1,382,695,140	304,860	99.9
Total Receipts	930,000,000	561,000,000	1,491,000,000	1,485,705,961	5,294,039	99.6
Payments						
Purchase of goods and services	180,000,000	(72,000,000)	108,000,000	103,010,821	304,860	99.9
Acquisition of non-financial assets	750,000,000	633,000,000	1,383,000,000	1,382,695,140	4,989,179	95.4
Total Payments	930,000,000	561,000,000	1,491,000,000	1,485,705,961	5,294,039	99.6

Note: There were no significant variance between the budget and actual expenditure to necessitate an annex with explanation on variance.

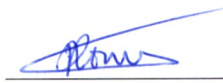
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30 September, 2021 and signed by:



Amb. Simon Nabukwesi, CBS
Principal Secretary



Evans Atambo
Project coordinator



CPA Robert A. Samuel
Assistant Accountant General
 ICPAK NO. 10100

9. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.1.1 Statement of compliance and basis of preparation

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

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

10.2 Reporting entity

The financial statements are for the Establishment of Kenya Advanced Institute of Science and Technology (KAIST) Project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012.

10.2.1 Reporting currency

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

Significant Accounting Policies

a) Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

b) Donations and grants

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

c) Proceeds from borrowing

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

d) Undrawn external assistance

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

e) Recognition of payments

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

Significant Accounting Policies

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

f) 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.

g) 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.

Significant Accounting Policies (Continued)

h) 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Restriction on cash

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

i)Accounts receivable

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

j) Contingent Liability

A contingent liability is:

- i) 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
- ii) A present obligation that arises from past events but is not recognised because:
- iii) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- iv) The amount of the obligation cannot be measured with sufficient reliability.

Significant Accounting Policies (continued)

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.

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

k) Contingent Assets

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

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' items to provide a sense of the overall net cash position of the Project at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

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,

Significant Accounting Policies (Continued)

as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation.

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

n) Third party payments

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

During the year Kshs 1,382,695,140 /being loan disbursements were received in form of direct payments from third parties.

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.

Significant Accounting Policies (Continued)

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, 2021

r) Errors

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

10. NOTES TO THE FINANCIAL STATEMENTS

1. Receipts from Government of Kenya

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

	2020/21	2019/20	Cumulative to-date (from inception)
	KShs	KShs	
Counterpart funding through Ministry of Education			
Counterpart funds Quarter 1	26,816,530	522,429	27,338,959
Counterpart funds Quarter 2	13,299,650	746,900	14,046,550
Counterpart funds Quarter 3	46,372,840	657,800	47,030,640
Counterpart funds Quarter 4	16,521,801	913,800	17,435,601
Total (See Annex 2)	<u>103,010,821</u>	<u>2,840,929</u>	105,851,750

2. Loan from External Development Partners

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

Name of Donor	Date received	Amount received in donor currency	Loans received in cash	Loans received as direct payment*	Loans received in kind	Total amount in KShs	
						2020/21	2019/20
			KShs	KShs	KShs	KShs	KShs
The Export- Import Bank of Korea. Government Agency of the EDCF							
Loans Received from Multilateral Donors (International Organizations)							
The Export-Import Bank of Korea. (Government Agency of the EDCF)		13,555,871	-	1,382,695,140	-	1,382,695,140	211,135,997
Total		13,555,871		1,382,695,140		1,382,695,140	211,135,997

Establishment of Kenya Advanced Institute of science and Technology (KAIST) Project
Reports and financial statements
For the financial year ended 30 June, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

* The direct payment loans represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure that the adequate documents and support document is requested from the donors to support this grant.

3. Purchase of goods and services

	2020/2021		2019/2020		
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to- date
	KShs	KShs	KShs	KShs	KShs
Domestic travel and subsistence	23,661,068		23,661,068	2,442,700	26,103,768
Printing, advertising and information supplies	898,046	-	898,046	6,229	904,275
Hospitality supplies and services	24,000	-	24,000	-	24,000
Consultancy Services	24,135,000	-	24,135,000	-	24,135,000
Fuel and lubricants for Motor vehicles	8,151,530	-	8,151,530	-	8,151,530
Conference Facilities	4,670,780	-	4,670,780	-	4,670,780
Other operating expenses	12,871,122	-	12,871,122	-	12,871,122
Routine maintenance- other assets	3,368,275	-	3,368,275	-	3,368,275
Total	<u>77,779,821</u>		<u>77,779,821</u>	<u>2,448,929</u>	<u>80,228,750</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Acquisition of non-financial assets

	2020/21			2019/20	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
Construction of buildings	-	1,382,695,140	1,382,695,140	211,135,997	1,843,831,137
Purchase of vehicles & other transport equipment	25,030,000	-	25,030,000	-	25,030,000
Purchase of office furniture & general equipment	201,000	-	201,000	-	201,000
Purchase of computers	-	-	-	392,000	392,000
Total	<u>25,231,000</u>	1,382,695,140	<u>1,407,926,140</u>	<u>211,527,997</u>	<u>1,869,454,137</u>

5. Cash and cash equivalents

	2020/21	2019/20
	KShs	KShs
Bank accounts (Note 5.A)	-	-
Cash in hand (Note 5.B)	-	-
Cash equivalents (short-term deposits) (Note 5.C)	-	-
Total	=	=

5 A. BANK ACCOUNTS

The project has no dedicated bank account opened for its operations. All expenses which are borne by the donor as per the financing agreement are paid through the direct payment method, while the GoK counterpart funds are paid through the state department of university education main development account in the central bank.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts

The project has no Special Deposit Account(s) since the donor makes payment directly to the vendors.

5 B. CASH IN HAND

	2020/21	2019/20
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other locations (<i>specify</i>)	-	-
Total cash balances	≡	≡

5 C. CASH EQUIVALENTS (SHORT-TERM DEPOSITS)

	2020/21	2019/20
	KShs	KShs
Kenya Commercial Bank [A/C No.....]	-	-
Co-Operative Bank of Kenya [A/C No.....]	-	-
Others (<i>Specify</i>)	-	-
Total	≡	≡

6. ACCOUNTS RECEIVABLES

<i>Description</i>	2020-2021	2019-2020
	Kshs	Kshs
Government Imprests	-	-
Salary advances	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. ACCOUNTS PAYABLES

Description	2020-2021	2019-2020
	Kshs	Kshs
Retention	-	-
Deposits	-	-
Total	-	-

8. FUND BALANCE BROUGHT FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts	-	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Total	-	-

9. PRIOR YEAR ADJUSTMENT

	Balance b/f FY 2019/2020 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

11. OTHER IMPORTANT DISCLOSURES

1. EXTERNAL ASSISTANCE

	2020/2021	2019/2020
Description	Kshs	Kshs
External assistance received as loans	1,382,695,140	211,135,997
Total	1,382,695,140	211,135,997

a). External assistance relating loans and grants

	2020/2021	2019/2020
Description	Kshs	Kshs
External assistance received as loans	1,382,695,140	211,135,997
Total	1,382,695,140	211,135,997

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2020/2021	2019/2020
Description		Kshs	Kshs
Undrawn external assistance - loans	<ul style="list-style-type: none"> To produce highly qualified scientists and engineers with both theoretical and practical knowledge of the future industries in Kenya and the East African region at large To promote relevant Research and Development through promotion of industrial-academic collaboration for stimulating of technological and industrial transformation. 	7,843,510,978	9,226,206,118
Total		7,843,510,978	9,226,206,118

Establishment of Kenya Advanced Institute of science and Technology (KAIST) Project
Reports and financial statements
For the financial year ended 30 June, 2021

c) Classes of providers of external assistance

	2020/2021	2019/2020
Description	Kshs	Kshs
Multilateral donors (The export Import Bank of Korea – Government Agency of the EDCF)	1,382,695,140	211,135,997
Total	1,382,695,140	211,135,997

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


There were no prior year issues raised by the external auditor.



Principal Secretary

20/12/2021

Date



Project Coordinator

30/09/21

Date

13. ANNEXES

ANNEX 1 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Opening Cost (KShs) 2020/2021	Donations in form of assets (KShs) 2020/2021	*Purchases/ Additions in the Year (KShs) 2020/2021	** Disposals in the Year (KShs) 2020/2021	Transfers in/(out) Kshs 2020/2021	Closing Cost (KShs) 2021
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)-(d)+(-)d
Buildings and structures	461,135,997	-	1,382,695,140	-	-	1,843,831,137
Transport equipment	-	-	25,030,000	-	-	25,030,000
Office equipment, furniture and fittings	-	-	201,000	-	-	201,000
ICT Equipment,	392,000	-	-	-	-	392,000
Total	461,527,997	-	1,407,926,140	-	-	1,869,454,137