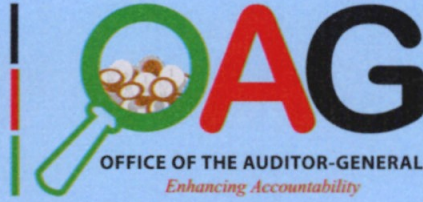


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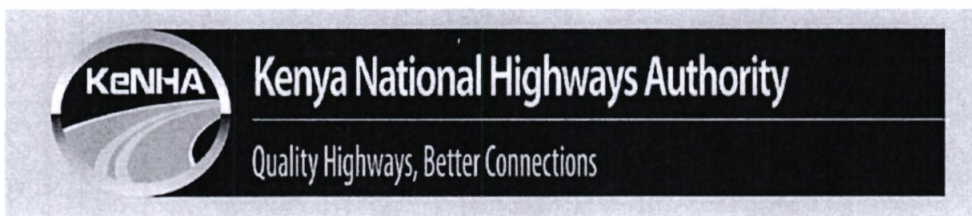
**SIRARI CORRIDOR ACCESSIBILITY AND
ROAD SAFETY IMPROVEMENT PROJECT:
ISEBANIA-KISII-AHERO (A1) ROAD
REHABILITATION**

**FOR THE YEAR ENDED
30 JUNE, 2025**

**KENYA NATIONAL HIGHWAYS
AUTHORITY**



MINISTRY OF ROADS AND TRANSPORT



**PROJECT NAME: SIRARI CORRIDOR ACCESSIBILITY AND ROAD SAFETY IMPROVEMENT
PROJECT: ISEBANIA – KISII – AHERO (A1) ROAD REHABILITATION**

IMPLEMENTING ENTITY: KENYA NATIONAL HIGHWAYS AUTHORITY

PROJECT CREDIT NUMBER: 2000130015238

PROJECT GRANT NUMBER: 5580155000451

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025**

**Transitional IPSAS Financial Statements/Prepared in accordance with the Accrual Basis of
Accounting Method under International Public Sector Accounting Standards (IPSAS)**

Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025

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Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025

1. Acronyms and Definition of Terms

AfDB	African Development Bank
AIE	Authority to Incur Expenditure
AITF	Africa Infrastructure Trust Fund
CBK	Central Bank of Kenya
CPA	Certified Public Accountant
EAC	East Africa Community
EIA	Environmental Impact Assessment
EIK	Environmental Institute of Kenya
FY	Financial Year
GK	Government of Kenya
HDU	High Dependency Unit
ICPAK	Institute of Certified Public Accountants of Kenya
ICU	Intensive Care Unit
IPSAS	International Public Sector Accounting Standards
KeNHA	Kenya National Highways Authority
KISM	Kenya Institute of Supplies and Management
Kshs.	Kenya Shillings
LSK	Law Society of Kenya
MoRT	Ministry of Roads and Transport
MRI	Magnetic Resonance Imaging
NEMA	National Environment Management Authority
PAPs	Project Affected Persons
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
RAP	Resettlement Action Plan
SDG	Sustainable Development Goals
TNT	The National Treasury
USD	United States Dollar
VOC	Vehicle Operating Cost

Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation.

Objective

The key objective of the project entails the construction of 2-lane 2-way highway with grade separated intersections where appropriate, high quality pavement, 1.5-2m wide shoulders to reduce traffic friction and enhance safety of road users.

The project consist of improvements of earth/gravel surface feeder roads contiguous with the highway as a way of widening access and to ensure that the road systems function as a network due to improved networks connectivity between lower level networks and the main national road system. A number of social infrastructure (markets, dispensaries, and schools) are also connected with the main road network as the budget will allow.

The project objective is to improve road transport infrastructure between Tanzania and Kenya, particularly between Mwanza and Kisumu, and onwards to Eldoret in the north and further to Nairobi- the regional commercial hub of East Africa.

Address

The project headquarter offices are in Nairobi City, Nairobi County, Kenya. The address of its registered office is:

Barabara Plaza
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

2.2 Project Information

Project Start Date:	9 th June, 2017
Project End Date:	30 th June 2026
Project Coordinator	Eng. Mutii Kivoto
Project Sponsors:	1. African Development Bank (AfDB) 2. Government of Kenya (GoK)

Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025

Project Information and Overall Performance (Continued)

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of State Department for Roads under the Ministry of Roads and Transport
Project number	P-KE-DB0-023
Strategic goals of the project	The strategic goals of the project are as follows: (i) To improve travel conditions. (ii) To unlock growth in high potential productive sectors of: agriculture, fisheries and agro-allied industries (iii) By lowering travel time and transport costs, the project will improve competitive position of the region through increased market access and lower costs.
Summary of Project strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Timely procurement of financing components (ii) Review of progress through monthly site meetings
Other important background information of the project	Isebania-Kisii-Ahero road was first upgraded in 1969, and was aimed at linking Kenya and Northern Tanzania to strengthen cross border business activities and economic ties within the East Africa Community (EAC). Over time with maintenance, the level of service has dropped in light of increasing motorization, changing vehicle designs, inadequate geometrics, and severely pot-holed pavement. The poor road condition continued to undermine domestic and inter-regional trade within the area hence need for the project.
Areas that the project was formed to intervene	The project was formed to intervene in the following problems/gaps: (i) Prolonged travelling time from Isebania boarder to Kenyan boarders with Uganda & South Sudan (ii) Numerous road accidents along the project road
Project duration	The project initial duration was 48 months which was eventually extended to 96 months.

2.4 Bankers

The following are the bankers for the project

- (i) Co-operative Bank of Kenya
 Upper Hill Branch
 Po Box
 Nairobi.
- (ii) National Bank of Kenya
 Hill Branch
 Po Box 45219-00100
 Nairobi.

Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025

Project Information and Overall Performance (Continued)

(iii) Kenya Commercial Bank
 JKIA
 Po Box
 Nairobi.

2.5 Independent Auditors

The project is audited by the Office of the Auditor-General of P.O Box 30084-00100, 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 Engineer	Project Implementing Team Leader
2	Eng. Mutii Kivoto	Deputy Director-Special Projects	Registered Engineer	Project Engineer
3	Mr. Walter Nyatwang'a	Deputy Director Environment & Social Interests	NEMA Lead Expert, Member-EIK	Project Safeguards Specialist
4	Ms. Norah Odingo	Deputy Director-Legal Services	Advocate of High Court of Kenya	Project Legal Specialist
5	Ms. Levina Wanyonyi	Deputy Director-Supply Chain Management	Member-KISM	Project Procurement Specialist
6	Mr. Chanje Kera	Deputy Director-Finance & Accounts	Certified Public Accountant of Kenya	Project Financial Specialist

2.7 Funding summary

The Project initial duration was 48 months from 9th June 2017 to 8th June 2021. Revised completion date is 30th June 2026 with a defect's notification of 12 months each for Lot 1 & Lot 2. The Project's donor approved budget is USD 239,200,000 equivalent to Kshs. 22,936,800,000 and Government of Kenya commitment of Kshs 7,935,725,870 as highlighted in the table below:

Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025

Project Information and Overall Performance (Continued)

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30th June 2025)		Undrawn balance to date	
	USD	Kshs	USD	Kshs	USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
EU-AIFT	11,200,000	1,126,720,000	8,997,262	905,124,576	2,202,738	221,595,424
(ii) Loan						
AfDB	228,000,000	22,936,800,000	227,614,378	22,898,006,474	385,622	38,793,526
(ii) Counterpart funds						
Government of Kenya		7,935,725,870		5,517,187,922	-	2,418,537,948
Total	239,200,000	31,999,245,870	236,611,641	29,320,318,972	2,588,359	2,678,926,898

B. Application of Funds

Application of funds	Amount received to date - (30th June 2025)		Cumulative amount paid to date - (30th June 2025)		Unutilised balance to date - (30th June 2025)	
	USD	Kshs	USD	Kshs	USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
EU-AITF	8,997,262	905,124,576	8,993,260	904,721,946	4,002	402,630
(ii) Loan						
AfDB	227,614,378	22,898,006,474	227,614,378	22,898,006,474	-	-
(iii) Counterpart funds						
GoK	54,842,822	5,517,187,922	54,421,183	5,474,770,976	421,639	42,416,946
Total	291,454,462	29,320,318,972	291,028,821	29,277,499,396	425,641	42,819,576

Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025

Project Information and Overall Performance (Continued)

2.8 Summary of Overall Project Performance:

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

Budget	FY 2024/25			Cumulative		
	Budget	Actual	%	Budget	Actual	%
	Kshs	Kshs		Kshs	Kshs	
Counterpart Funds - GoK	1,463,865,822	1,368,955,986	94%	5,940,161,060	5,474,770,976	92%
Loan (AfDB)	2,176,961,317	2,038,653,636	94%	25,715,223,885	22,898,006,474	89%
Grant (EU-AITF)	20,000,000	-	0%	1,279,094,274	904,721,946	71%
TOTAL	3,660,827,139	3,407,609,622	93%	32,934,479,219	29,277,499,396	89%

(ii) Physical progress based on outputs, outcome and impacts since project commencement: -

Lot 1: Isebania-Kisii

The physical progress as at 30th June,2025 is 99% against time elapsed of 98.77 months

Lot 2: Kisii-Ahero

The physical progress as at 30th June,2025 is 100% against time elapsed of 97 months

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

Financial Year	Budget	Actual	Percentage (%)
	Kshs	Kshs	
FY 2024/25	3,660,827,139	3,407,609,622	93%
FY 2023/24	2,993,165,558	2,935,829,558	98%
FY 2022/23	2,990,218,677	2,746,140,911	92%
FY 2021/22	3,100,000,000	1,942,657,943	63%
FY 2020/21	5,052,289,614	4,623,893,618	92%
FY 2019/20	5,258,255,779	4,563,855,489	87%
FY 2018/19	5,002,559,142	4,989,311,569	100%
FY 2017/18	786,542,518	716,606,008	91%
FY 2016/17	4,090,620,792	3,351,594,678	82%
Total	32,934,479,219	29,277,499,396	89%

(iv) Implementation challenges and recommended next steps.

The project over its implementation period has experienced the following challenges:

Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025

Project Information and Overall Performance (Continued)

- a) Inadequate budgetary provisions which has led to slow progress of works. The Authority in conjunction with MoR&T and TNT are working together to ensure adequate funding is available to the project subject to budget ceilings.
- b) Relocation of utility services. Relocation of power lines and water pipes along the corridor had been a challenge at the beginning of the project. However, the Authority in liaison with the utility providers managed to resolved the challenge.

2.9 Summary of Project Compliance:

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

Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation

Annual Report and Financial Statements for the financial year ended June 30, 2025

3. Statement of Performance Against Project's Predetermined Objectives

Introduction

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

The key development objectives of the project are:

- a) To facilitate transport of goods and passengers along the Tanzania-Kenya-South Sudan Corridor
- b) To open up fresh produce markets in the Lake Victoria Basin
- c) To improve road safety along the Tanzania-Kenya-South Sudan Corridor

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
The project's official name is Sirari Corridor Accessibility and Road Safety Improvement Project:	To facilitate transport of goods and passengers along the Tanzania-Kenya-South Sudan Corridor	Reduced transport costs	Annual Average Vehicle Operating Cost (VOC)	Transport operators have registered reduction in costs. Passenger fare prices have also reduced as a result of upgrade of the feeder roads
Isebania – Kisii – Ahero (A1) Road Rehabilitation	To open up fresh produce markets in the Lake Victoria Basin	Increased accessibility in Lake Victoria basin. Increase in inter-district trade in food crops	Volume and diversity of food crops traded	Regional traders and fresh produce consumers have expressed satisfaction with the volume & quality of fresh produce reaching the markets

Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation

Annual Report and Financial Statements for the financial year ended June 30, 2025

Project	Objective	Outcome	Indicator	Performance
	Training of women and youth in construction	Skills development for women and youth	Number of women and youth trained.	Selection of participants for the training finalized and training kicked off.
	To improve road safety along the Tanzania-Kenya-South Sudan Corridor	Reduced road fatalities.	Crash fatalities on the road	Five Ambulances have been supplied to five counties within the project road and one to Nyabondo post-crash centre. Equipment for post-crash centre complete.

4. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

Sustainable Development Goals (SDGs) 2015-2030 provides a plan of action for the people and their 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 will develop 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 will extend the paved road network to hitherto underserved areas in the coastal region to improve nationwide access to high speed and all – weather connectivity; and
- e) *Climate action (SDG 13)*: The Authority will 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

2. 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, undertake regular Environmental Impact Assessment (EIA) Audits, carry out M&E on Environment and Social Management Plan (ESMPs) as well as conduct Environmental Social Impact Assessment (ESIA) in projects.

A joint team composed of the Consultant and Contractor has been formed to carry out periodic inspections of all the work places around the project sites to assess the adherence by the Contractors to the mitigation

Environmental Sustainability Reporting (Continued)

measures stated in the contracts. Bi-weekly and monthly inspections are conducted and the observations and recommendations by the team communicated to the Contractors for their action

3. Employee welfare

In all its staff appointments, the Authority takes deliberate actions to embrace Equal Employment Opportunity policy, gender mainstreaming, address disability and take affirmative action in line with prevailing Government Policy guidelines. The Authority prioritize training to develop technical capacity of staff in the fields of Value Engineering, Project Financing, Project and Contract Management, Performance Based Maintenance and Safety.

4. 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 to promote ethical conduct in projects, the Authority sensitize staff about 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 in time.

The Authority has automated finance procedures, continue to create awareness on PFM Act, treasury circulars and regulations in order to enhance financial management in projects.

5. Community Engagements

During the implementation of the Project, the Project is committed to remaining a responsible corporate citizen by being accountable for its actions and maintaining high standards of social and environmental record. 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 were also encouraged to give back to society by participating in the authority's corporate social responsibility projects.

The Project is constructing a Trauma Response Centre at St. Joseph Nyabondo Mission Hospital which is expected to have a 150-bed capacity. Some of the features of the facility will be Intensive Care Unit (ICU), High Dependency Unit (HDU), two operational theatres, MRI machines, CT scanners, X-ray machines, Ultrasound, Laboratory, Pharmacy, Wards as well as consultation rooms. Construction of the centre is currently 100% complete. The Response Centre will serve the counties of Kisumu, Kericho, Homa Bay,

Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025

Environmental Sustainability Reporting (Continued)

Migori, Kisii and Nyamira. The Project has also donated ambulances to the counties around the Project area to deal with trauma and post-trauma cases resulting from road accidents.

In Lot 1, the Contractor in consultation with the County Government of Migori agreed to harvest gravel material from a public land in God-Nyinyo area within North Kamagambo and in turn construct a modern Primary School for the area residents. The construction includes an administration block complete with a library, offices, staffroom etc and 4 No classrooms as part of Corporate Social Responsibility.

To enhance social safeguards in projects, the Authority undertakes Resettlement Action Plan (RAP) studies and implements recommendations, carry out Social Impact Assessment (SIA) in projects, undertake gender mainstreaming in projects and conduct stakeholders' forum to sensitize the public in cross cutting issues.

Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025

5. Statement of Project Management Responsibilities

The Director General, KeNHA and the Project Implementation Team Leader for Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation are responsible for the preparation and presentation of the Project’s financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2025.

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 (vi) making accounting estimates that are reasonable in the circumstances.


The Director General, KeNHA and the Project Implementation Team Leader accept responsibility for the Project’s financial statements, which have been prepared on the accrual basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Director General, KeNHA and the Project Implementation Team Leader are of the opinion that the Project’s financial statements give a true and fair view of the state of Project’s transactions during the financial year ended June 30, 2025, and of the Project’s financial position as at that date. The Director General, KeNHA and the Project Implementation Team Leader 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 Director General, KeNHA and the Project Implementation Team Leader confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit 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 Director General, KeNHA and the Project Implementation Team Leader on 27 AUG 2025 and signed by:



Eng. Luka Kimeli
Ag. Director General



Eng. Henry Gakuru
Director-Development

REPUBLIC OF KENYA



Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

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

REPORT OF THE AUDITOR-GENERAL ON SIRARI CORRIDOR ACCESSIBILITY AND ROAD SAFETY IMPROVEMENT PROJECT: ISEBANIA-KISII-AHERO (A1) ROAD REHABILITATION FOR THE YEAR ENDED 30 JUNE, 2025 - KENYA NATIONAL HIGHWAYS AUTHORITY

PREAMBLE

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

- A. Report on 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 the 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 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 is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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 transitional IPSAS financial statements of Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania-Kisii-Ahero (A1)

Report of the Auditor-General on Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania-Kisii-Ahero (A1 Road Rehabilitation for the year ended 30 June, 2025 - Kenya National Highways Authority

Road Rehabilitation set out on pages 1 to 29, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, 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 transitional IPSAS financial statements present fairly, in all material respects, the financial position of Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania-Kisii-Ahero (A1) Road Rehabilitation as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS and comply with the Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania-Kisii-Ahero (A1) Road Rehabilitation Financing Agreement No.2000130015238 dated 9 June,2017, and the Public Finance Management Act, 2012; and The National Treasury Circular No.3 of 14 April, 2025.

In addition, the special accounts statements present fairly, transactions for the year, and the closing balance have been reconciled with the books of account.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania-Kisii-Ahero (A1) Road Rehabilitation 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

Low Absorption of Project Funds

Note 2.7A to the financial statements on Funding Summary under Project Information and Overall Performance, reflects as source of fund an amount of Kshs.31,999,245,870 in respect of expected total funding. The amount comprised of an amount of USD 239,200,000 equivalent to Kshs.24,063,520,000 in relation to grant and loan from EU-AIFT and African Development Bank Loan, and Government of Kenya counterpart funding of Kshs.7,935,725,870.

The Project has received a total amount of Kshs.29,320,319,972 resulting to an undrawn balance of Kshs.2,678,926,898 or 8.4% of the expected funding. The Project completion period is 30 June, 2026.

The Project may not achieve the planned activities and the public may be denied benefits which could accrue from the undrawn amount.

My opinion is not modified in respect of this matter.

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 prior year audit report, several issues were raised under the Basis for qualified opinion and Report on Lawfulness and Effectiveness in Use of Public Review of the status during audit of the Project in 2024/2025 revealed that the following five (5) issues remained unresolved:

NO.	Financial Year	Audit Issue
1	2023/2024	Unsupported land compensation
2	2023/2024	Interest on delayed payments
3	2023/2024	Failure to prepare fixed assets register
4	2023/2024	Non-payment of pending bills
5	2023/2024	Delay in completion of installation of weighbridge equipment at Rongo Station

Other Information

The Management is responsible for the Other Information set out on page iii to xiv which comprise of Project Information and Management, 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.

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.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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

Avoidable Expenditure - Interest on Delayed Payments

The statement of financial position and as disclosed in Note 11 to the financial statements reflects an amount of Kshs.3,255,623,381 in respect to trade and other payables which included an amount of Kshs.1,634,949,279 in respect of long outstanding payables some dating back to the year 2013. Included in the long outstanding pending bills are amounts relating to civil works interim payment certificates (IPCs) of two construction companies for works on Lot 1 which constitutes interest charges on delayed payments amounting to Kshs.11,136,456 for IPC No.12 and Kshs.573,545,503 for IPC No.56, respectively totalling to Kshs.584,681,959. Delayed settlement of payables attracted interests and penalties, and costs that could have been avoided had payments been made on time.

In the circumstances, the value for money and the effectiveness in use of public resources could not be confirmed.

The audit was conducted in accordance with 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, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by Financing Agreement No.2000130015238 between the International Development Association (EU-AIFT and AfDB) and the Republic of Kenya, I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Basis for Conclusion

The Financing Agreement requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Project's compliance with laws and regulations. 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 (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 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 going concern basis of accounting unless Management is aware of the intention 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 57 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(5) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require 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 58 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 ISSAIs 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 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

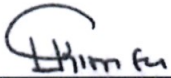
27 November, 2025

***Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1)
Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025***


7. Statement of Financial Performance for the Year Ended 30th June 2025

	Notes	FY 2024/25
		Kshs
Revenue		
Revenue Transfers	6	3,394,620
Total revenue		3,394,620
Expenses		
Use of goods and services	7	3,394,620
Total expenses		3,394,620
Surplus/ (deficit)		-

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


 Eng. Luka Kimeli
 Ag. Director General


 Eng. Henry Gakuru
 Director-Development



 CPA Isaac Kimani Karumba
 Ag. Deputy Director (F&A)
 ICPAK Member No. 3321

**Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1)
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8. Statement of Financial Position as at 30th June 2025

	Note	FY 2024/25	1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	8	42,819,576	8,194,127
Receivables	9	19,714,500	-
Total Current Assets		62,534,076	8,194,127
Non-Current Assets			
Property, Plant and Equipment	10	32,395,717,148	29,820,923,502
Total Non- Current Assets		32,395,717,148	29,820,923,502
Total Assets (a)		32,458,251,224	29,829,117,629
Liabilities			
Current Liabilities			
Trade and Other Payables	11	3,255,623,381	3,826,896,490
Third Party Deposits	12	-	262,925,354
Deferred Income	13	20,117,130	402,630
Total Current Liabilities		3,275,740,511	4,090,224,474
Total Liabilities (b)		3,275,740,511	4,090,224,474
Net Assets (a-b)		29,182,510,713	25,738,893,155
Represented By:			
Capital Grants		29,179,496,323	25,735,878,765
Accumulated Surplus		3,014,390	3,014,390
Total Net Assets		29,182,510,713	25,738,893,155

The financial statements were approved on 27 AUG 2025 and signed by:


Eng. Luka Kimeli
Ag. Director General


Eng. Henry Gakuru
Director-Development


CPA Isaac Kimani Karumba
Ag. Deputy Director (F&A)
ICPAK Member No. 3321

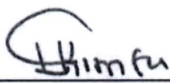
**Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1)
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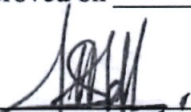
9. Statement of Changes in Net Assets

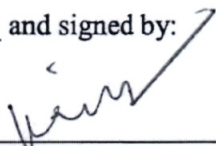
Description	Capital Grants	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
As at 30th June 2024 (Cash Basis)	-	3,417,020	3,417,020
Adjustments:			
Asset Recognition	29,820,923,502	-	29,820,923,502
Liabilities recognition	(4,085,044,737)	-	(4,085,044,737)
Transfer to Deferred Income	-	(402,630)	(402,630)
As at 1st July 2024	25,735,878,765	3,014,390	25,738,893,155
Capital grants received during the year	3,443,617,558	-	3,443,617,558
Surplus/(Deficit) for the year	-	-	-
As at 30th June 2025	29,179,496,323	3,014,390	29,182,510,713

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

The financial statements were approved on 27 AUG 2025 and signed by:


Eng. Luka Kimeli
Ag. Director General


Eng. Henry Gakuru
Director-Development


CPA Isaac Kimani Karumba
Ag. Deputy Director (F&A)
ICPAK Member No. 3321

**Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1)
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10. Statement of Cash flows for the year ended 30th June 2025

Description	Note	FY 2024/25
		Kshs
Cashflow from operating activities		
Receipts		
Revenue Transfers		3,394,620
Total receipts		3,394,620
Payments		
Use of goods and services		3,394,620
Total payments		3,394,620
Net cash flow from operating activities		-
Cashflow from investing activities		
Acquisition of non-financial assets		(3,408,992,109)
Proceeds from sale of Assets		-
Acquisition of Intangible assets		-
Net cash flows from investing activities		(3,408,992,109)
Cash flow from financing activities		
Capital Transfers: GoK		1,404,963,922
Capital Transfers: Development Partner		2,038,653,636
Net cash flow from financing activities		3,443,617,558
Net increase/Decrease in cash and cash equivalents		34,625,449
Cash and cash equivalent at 1st July 2024	8	8,194,127
Cash and cash equivalent at end June 2025	8	42,819,576

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11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2025

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 %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget Carry Overs from previous periods	-	3,417,020	3,417,020	3,417,020	-	100%
Receipts						
Revenue Transfers-GoK Exchequer	175,000,000	(138,000,000)	37,000,000	57,948,423	(20,948,423)	157%
Revenue Transfers-Bridge Facility	-	1,350,410,119	1,350,410,119	1,350,410,119	-	100%
Revenue Transfers-AfDB	1,285,085,353	984,914,647	2,270,000,000	2,038,653,636	231,346,364	90%
Total Revenue	1,460,085,353	2,200,741,786	3,660,827,139	3,450,429,198	210,397,941	94%
Payments						
Use of goods and services	3,394,620	-	3,394,620	3,394,620	-	100%
Capital works in progress	1,456,690,733	2,200,741,786	3,657,432,519	3,404,215,002	253,217,517	93%
Total Payments	1,460,085,353	2,200,741,786	3,660,827,139	3,407,609,622	253,217,517	93%
Surplus	-	-	-	42,819,576	(42,819,576)	

Budget Notes:

1. Percentage (%) utilization of 157% on revenue receipts budget is due to the difference between what is in the 3rd supplementary GoK budget (final budget) and the actual cash receipts by the Authority.

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Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	42,819,576
1	Reason for difference: <i>N/A</i>	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	42,819,576

Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
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12. Notes to the Financial Statements

1. General Information

Kenya National Highways Authority is established by and derives its authority and accountability from Kenya Roads Act 2007. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity’s principal activity is development, rehabilitation, management and maintenance of all National Trunk Roads comprising of Class S, A, and B roads.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

3. Adoption of New and Revised Standards

i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>The project does not anticipate that the standard will have any impact on its operations and reporting</i></p>
IPSAS 44: Non- Current Assets Held	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

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Standard	Effective date and impact:
for Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The project does not anticipate that the standard will have any impact on its operations and reporting</i></p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The project does not anticipate that the standard will have any impact on its operations and reporting</i></p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li data-bbox="501 1682 1439 1816">i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. <li data-bbox="501 1832 1439 1921">ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;

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Standard	Effective date and impact:
	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>The project does not anticipate that the standard will have any impact on its operations and reporting</i></p>

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Standard	Effective date and impact:
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>The project does not anticipate that the standard will have any impact on its operations and reporting</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

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Standard	Effective date and impact:
	<i>The project does not anticipate that the standard will have any impact on its operations and reporting</i>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>The project does not anticipate that the standard will have any impact on its operations and reporting</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>The standard does not impact the Entity</i></p>

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

***Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1)
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4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for FY 2024/2025 was approved by the National Assembly on 28th January 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of **Kshs 2,197,324,766** on the FY 2024/2025 budget following the National Assembly approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 6 under section 11 of these financial statements.

Notes to the financial statements

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

***Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1)
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Notes to the financial statements

f) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

g) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms

Notes to the financial statements

of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

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Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. There were no expected credit losses during the financial year under review and prior year.

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

h) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

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Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Authority*.

i) Provisions

Provisions are recognized when the *Authority* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Authority* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The *Authority* 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.

Contingent assets

The *Authority* 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 *Authority* 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.

j) Nature and purpose of reserves

The *Authority* does not create or maintain reserves in terms of specific requirements.

k) Changes in accounting policies and estimates

The *Authority* recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

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l) Employee benefits

Retirement benefit plans

The *Authority* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

n) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

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o) Related parties

The *Authority* regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

p) Service concession arrangements

The *Authority* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Authority* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Authority* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

q) 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.

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, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Authority* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

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However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The *Authority* based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the *Authority*. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the *Authority*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

There were no provisions raised during the financial year and prior year.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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6. Revenue Transfers

Description	FY 2024/25
	KShs
Unconditional Transfers	
GoK Counter Part funding	57,948,423
Other unconditional transfers (Bridge Settlement Financing)	1,350,410,119
Total Unconditional Transfers (a)	1,408,358,542
Conditional Transfers	
Transfers from Development partners (AfDB)	2,038,653,636
Total Conditional Transfers (b)	2,038,653,636
Total Transfers for the Year (a + b)	3,447,012,178

a) Details to Revenue Transfers

Name of The Entity Transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred income.	Amount moved to Capital fund	Total transfers (Current FY)
	Kshs	Kshs	Kshs	Kshs
State Department of Roads GOK Funding	3,394,620	-	54,553,803	57,948,423
Kenya Roads Board	-	-	1,350,410,119	1,350,410,119
African Development Bank	-	-	2,038,653,636	2,038,653,636
Subtotal	3,394,620	-	3,443,617,558	3,447,012,178
Deferred Income realized	-	-	-	-
Total	3,394,620	-	3,443,617,558	3,447,012,178

7. Use of Goods and Services

Description	FY 2024/25
	Kshs
Domestic travel and subsistence	3,394,620
Total	3,394,620

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8. Cash and Cash Equivalents

Description	FY 2024/25	1 st July
	Kshs	Kshs
Cash in Bank	42,819,576	8,194,127
Total Cash and Cash Equivalents	42,819,576	8,194,127

Project Bank Accounts

Details	FY 2024/25	1 st July 2024
	Kshs	Kshs
Local Currency Accounts		
Co-operative Bank of Kenya [A/c No.01141160979900]	42,416,946	3,014,390
National Bank of Kenya Ltd. [A/c No. 0100132733200]	-	4,777,107
National Bank of Kenya Ltd. [A/c No. 01001133511500]	402,630	402,630
Total local currency balances	<u>42,819,576</u>	<u>8,194,127</u>
Total bank account balances	<u>42,819,576</u>	<u>8,194,127</u>

9. Receivables

Description	FY 2024/25	1 st July 2024
	Kshs	Kshs
AfDB Grants Receivable	19,714,500	-
Total Receivables	19,714,500	-

Ageing Analysis for Receivables

Description	FY 2024/25		1 st July 2024	
	Kshs		Kshs	
	FY 2024/25	% of the total	FY 2023/24	% of the total
Less than 1 year	19,714,500	100%	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	19,714,500	100%	-	-

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10. Property, Plant and Equipment

Cost	Land	Capital Work in Progress	Total
	Kshs	Kshs	Kshs
As At 1 July 2024 (opening balances)	594,652,675	29,226,270,827	29,820,923,502
Additions	-	2,680,193,200	2,680,193,200
Disposals	-	-	-
Transfers/Adjustments (Interest Waiver)	-	(105,399,554)	(105,399,554)
As at 30th June 2025	594,652,675	31,801,064,473	32,395,717,148
Net Book Values			
As at 1 st July 2024	594,652,675	29,226,270,827	29,820,923,502
As at 30 th June 2025	594,652,675	31,801,064,473	32,395,717,148

11. Trade and Other Payables (Annex 5)

Description	FY 2024/25		1 st July 2024	
	Kshs		Kshs	
Trade payables	3,255,623,381		3,826,896,490	
Total trade and other payables	3,255,623,381		3,826,896,490	
Ageing analysis: (Trade and other payables)	FY 2024/25	% of the Total	FY 2023/24	% of the Total
Under one year	1,620,674,102	50%	953,948,271	25%
1-2 years	718,076,188	22%	798,855,367	21%
2-3 years	722,566,623	22%	761,719,945	20%
Over 3 years	194,306,468	6%	1,312,372,907	34%
Total (tie to above total)	3,255,623,381		3,826,896,490	

12. Third-Party Deposits

Description	FY 2024/25		1 st July 2024	
	Kshs		Kshs	
Contractor's Retentions (Held by the Entity)	-		4,777,107	
Contractor's Retentions (Held by Third Parties)	-		258,148,247	
Total deposits	-		262,925,354	
Ageing analysis: (Refundable deposits)	FY 2024/25	% of the Total	FY 2023/24	% of the Total
Under one year	-	-	-	0%
1-2 years	-	-	-	0%
2-3 years	-	-	262,925,354	100%
Over 3 years	-	-	-	0%
Total	-		262,925,354	

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13. Deferred Income

Description	FY 2024/25	1 st July 2024
	Kshs	Kshs
African Development Bank	20,117,130	402,630
Total Deferred Income	20,117,130	402,630

Deferred Income Movement Schedule

Description	African Development Bank	Total
	Kshs	Kshs
Balance as at 1 st July 2024	402,630	402,630
Additions	19,714,500	19,714,500
Transfers to Performance Statement as Revenue	-	-
Balance as at 30 th June 2025	20,117,130	20,117,130

14. Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as of 30th June 2025 are not included in the Statement of Financial Assets since the line items are yet to be drawn into the Exchequer Account as a voted provision.

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

Special Deposit Account Movement Schedule

Description	FY 2024/25	FY 2023/24
	KShs	KShs
Sirari Corridor Accessibility and Road Safety Improvement Project (SCARSIP) A/c N0. 1000356677		
Opening balance	27,362,478	-
Total amount deposited in the account	-	27,362,478
Total amount withdrawn	16,547,080	-
Closing balance (as per SDA bank account reconciliation attached)	10,815,398	27,362,478

SDA Closing balance in Euros – 84,964.78

Exchange rate – Kshs 127.2853/Euro

(The Special Deposit Account reconciliation statement has been attached as Annex 4 to support this closing balance.

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15. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *Authority* include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the *Authority*, holding 100% of the *Authority* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Authority* both domestic and external.

Other related parties include:

- i) The Parent Ministry
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of Directors.

16. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

17. Ultimate and Holding Entity

The Entity is a State Corporation under the Ministry of Roads and Transport. Its ultimate parent is the Government of Kenya.

18. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

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13. Annexes

Annex 1: Prior Year Auditor-General’s Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status	Timeframe
1	<p><u>Basis for Qualified Opinion</u></p> <p>Unsupported Land Compensations</p> <p>The statement of receipts and payments reflects acquisition of non-financial assets balance of Kshs.2,922,440,401 as disclosed in Note 5 to the financial statements. Included in the amount is a balance of Kshs.15,000,000 which was paid as being part of an award totalling Kshs.148,740,070 to the three hundred and twenty-two (322) Persons Affected by the Project (PAPs) in Daraja Mbili-Nyamataro-Kisii Town-Suneka section of the road through the National Land Commission.</p> <p>However, review of records revealed that the parcels of lands which were valued by the National Land Commission were on KeNHA road reserve. Management explained that the compensation paid to the Persons Affected by the Project (PAPs) on the road reserves was not for land but for improvements and the lost business. However, as provided in Section 3.6.2 of KeNHA’s Environment and Social Safeguards Policy, 2019, the occupants of the land were</p>	<p>We wish to clarify that in managing the Project’s Environmental and Social Interests, the Authority uses the Development Partner Environmental and Social Safeguards guidelines. African Development Bank (AfDB) Involuntary Resettlement Policy 2003 provides that displaced persons who have no recognizable legal right or claim to the land they are occupying in the project area will be entitled to resettlement assistance in lieu of compensation for land.</p> <p>In line with the guidelines and to avoid any complaints on non-compensation being escalated to the Development Partner which would instantly go against their guidelines necessary for safeguarding of PAPs, the approval for compensation was made to ensure the project did not contravene any of the Development Partner Guidelines.</p>	Resolved	Resolved

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	<p>encroachers and were thus not entitled to any compensation. In the circumstances, the regularity of payment of Kshs.15,000,000 on compensation for the land could not be confirmed.</p>			
1	<p><u>Other Matter</u></p> <p>Unresolved Prior Year Matters</p> <p>In the audit report of the previous year, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, although the issues had been discussed in the Public Accounts Committee of the National Assembly, they remained unresolved as at the time of the audit in October, 2024.</p>	<p>We wish to clarify that the Authority has appeared before the Public Accounts Committee and made its submissions on all matters raised by the Auditor General on the Project financial statements up to FY 2021/22.</p>	<p>Not Resolved</p>	<p>FY 2025/26</p>
1	<p><u>Basis for Conclusion</u></p> <p>Interest on Delayed Payment</p> <p>Annex 4 to the financial statements reflect pending bills for civil works totalling Kshs.3,201,078,059. Review of interim payments certificate relating to the pending bills revealed that two construction companies charged interest on delayed payments of Kshs.331,130,553 and Kshs.325,896,185 respectively all amounting to Kshs.657,026,738. This was a cost which could have been avoided had Management made payments as and when they were due considering that the Project had adequate funding at the time.</p>	<p>We note the audit observation that Annex 4 to the financial statements reflect pending bills for civil works totalling Kshs.3,201,078,059. We wish to clarify that interest claims are contractual claims provided for in the contract in case of late settlement of the contractor's dues. Late payments arise due to inadequate GoK budgetary allocations and delayed release of Exchequer funds.</p>	<p>Not Resolved</p>	<p>FY 2025/26</p>

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	In the circumstances, the delay in payments of certified works had made the project costs to continue escalating with interest payments that were an irregular charge to public funds.			
2	<p>Failure to Prepare Fixed Assets Register</p> <p>Annex 5 to the financial statements reflects the summary of fixed assets register with a closing cost of Kshs.25,735,878,765 including land valued at Kshs.76,476,393; construction of roads amounting to Kshs.25,125,437,216 and machinery and equipment at a cost of Kshs.533,965,156. Further, there were various assets valued at Kshs.2,922,440,401 which were additions made during the year under review. However, the Management did not provide assets register to support the assets valued at Kshs.25,735,878,765. This was contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.</p>	Detailed list of the fixed assets as at 30 June 2024 to support the assets valued at Kshs.25,735,878,765 have been provided to the Auditor for further review.	Resolved	Resolved
3	<p>Non-Payment of Pending Bills</p> <p>Annex 4 to the financial statements reflect a balance of Kshs.3,826,896,490 in respect to pending bills that were not settled in the financial year 2023/2024 but were instead carried forward to the financial year 2024/2025. The pending bills amount comprised of balances of</p>	We note the audit observation that Annex 4 to the financial statements reflect a balance of Kshs.3,826,896,490 in respect to pending bills that were not settled in the financial year 2023/2024 but were	Not Resolved	FY 2025/26

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	<p>Kshs.107,642,149, Kshs.3,201,078,059 and Kshs.518,176,282 in respect of consultancy services, civil works and outstanding land compensation respectively, where some invoices date back to the year 2013. Management explained that the pending bills were not settled due to inadequate budgetary provision by the Government and late release of exchequer funds during the year under review and therefore did not form a first charge in the year. This was contrary to the provision of Regulation 42(1) of the Public Finance Management (National Government) Regulations, 2015 which states that debt service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the Government does not default on debt obligations.</p> <p>In the circumstances, the pending bills may affect the budget for 2024/2025 financial year.</p>	<p>instead carried forward to the financial year 2024/2025.</p> <p>We wish to clarify that pending bills arise due to inadequate GoK budget provisions coupled with late release of Exchequer funds to enable prompt payment of consultants and contractors GoK portion of the Fee Notes (FNs) and Interim Payment Certificates (IPCs).</p> <p>The Authority will however continue liaising with the Parent Ministry and the National Treasury in an effort to facilitate additional budgetary provisions.</p> <p>We wish to further clarify that the pending bills have formed first charge to the budget allocated in the subsequent financial years. However, the budget allocation has not been sufficient to settle the cumulative outstanding pending bills.</p> <p>In FY 2024/25, the Authority received an amount of Kshs 1,408,358,542 from Exchequer and managed to settle part of the pending bills.</p>		
4	<p>Delay in Completion of Installation of Weighbridge Equipment at Rongo Station</p> <p>The statement of receipt and payment reflect an expenditure of Kshs.2,992,440,401 in respect of acquisition of non-financial assets. The</p>	<p>We wish to clarify that the African Development Bank granted an extension of the project duration to 30 June, 2025.</p>	Resolved	Resolved

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	<p>expenditure includes an amount of Kshs.344,650,712 in respect to research studies, project preparation, design and supervision as disclosed in Note 5 to the financial statements. The expenditure of Kshs.344,650,712 further includes an amount of Kshs.65,995,181 in respect to a contract for design, supply and installation of weighbridge equipment at Rongo station. The contract was signed on 09 May, 2021 for a period of twelve (12) months ending on 08 March, 2022.</p> <p>However, physical verification done in October, 2024 revealed that the contractor was still on site and the works were ongoing despite the lapse of contract period. Management explained that African Development Bank granted an extension of the project duration to 30 June, 2025 and that the delay in completion of the project was caused by inadequate budget provision by the Government.</p> <p>In the circumstances, the regularity and value for money realized from the expenditure on the Project could not be confirmed.</p>	<p>We further clarify that civil works for the weighbridge were to be undertaken by the main civil works contractor for the rehabilitation of the road under Lot 1. However as at the time of review the contractor had not completed the civil works for the weighbridge due to inadequate budget provisions for the project and late release of Exchequer funds to enable fast implementation of the project.</p> <p>The Authority will however continue liaising with the Parent Ministry and the National Treasury in an effort to facilitate additional budgetary provisions to enable settlement of bills when they fall due and thus speedy progress of remaining works and services.</p> <p>In FY 2024/25, the Authority paid a total of Kshs 3,408,992,109 towards completion of the project.</p>		
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**Eng. Luka Kimeli
Ag. Director General**



**Eng. Henry Gakuru
Director-Development**

**Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
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Annex 2: Reconciliation of inter-entity transfers

Project Name:		Sirari Corridor Accessibility & Road Safety Improvement Project: Isebania-Kisii-Ahero (A1) Road Rehabilitation		
Break down of Transfers from the State Department of Roads				
A.	Government Counterpart Funding			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>FY to which the amounts relate</u>
	Exchequer Receipt	6-May-2025	57,948,423	2024-2025
		Total	57,948,423	
B.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>FY to which the amounts relate</u>
			-	
			-	
		Total	-	
C.	Others			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>FY to which the amounts relate</u>
			-	
	Bridge Settlement Facility	20-Apr-25	1,350,410,119	2024-2025
		Total	1,350,410,119	
		Total (A+B+C)	1,408,358,542	



Eng. Luka Kimeli
Ag. Director General



CPA Isaac Kimani Karumba
Ag. Deputy Director (F&A)
ICPAK Member No. 3321

**Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025**

Annex 3: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the Year (Kshs)	Disposals during the Year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs)
	2023/24	2024/25	2024/25	2024/25	2025
Land	594,652,675	103,265,770	-	-	697,918,445
Work in Progress	29,226,270,827	2,471,527,876	-	-	31,697,798,703
Total	29,820,923,502	2,574,793,646	-	-	32,395,717,148

Annex 4: Analysis of Loans from External Development Partners

No	Date	Payee	Currency of Payment	Payment Reference	Amounts in respective currency of IPC/fee note				Equivalent amount in reporting currency	Description
					Euro	USD	GBP	Kshs		
1	8/5/2024	Abdul Mullick Associates Ltd	KSHS	PV92008 WA431	-	-	-	12,399,011	12,399,011	Kisii-Ahero 50 (AfDB Kshs)
2	8/5/2024	Abdul Mullick Associates Ltd	KSHS	PV92009 WA432	-	-	-	7,771,721	7,771,721	Kisii-Ahero 51 (AfDB Kshs)
3	8/5/2024	Abdul Mullick Associates Ltd	KSHS	PV92007 WA430	-	-	-	15,154,689	15,154,689	Kisii-Ahero 49 (AfDB Kshs)
4	8/5/2024	Abdul Mullick Associates Ltd	USD	PV92006 WA429	-	8,407	-	-	1,103,968	Kisii-Ahero 49 (AfDB USD)
5	8/13/2024	Egis Route-Scetauroute	KSHS	PV92085 WA434	-	-	-	79,845,310	1,334,306	Isebania-Kisii 83B (AfDB Kshs)
6	8/13/2024	Egis Route-Scetauroute	EURO	PV92084 WA433	7,084	-	-	-	1,000,452	Isebania-Kisii 83A (AfDB EURO)
7	8/13/2024	Egis Route-Scetauroute	KSHS	PV92087 WA436	-	-	-	1,454,995	1,454,995	Isebania-Kisii 85B (AfDB Kshs)

**Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025**

No	Date	Payee	Currency of Payment	Payment Reference	Amounts in respective currency of IPC/fee note				Equivalent amount in reporting currency	Description
					Euro	USD	GBP	Kshs		
8	8/13/2024	Egis Route-Scetauroute	EURO	PV92086 WA435	8,183	-	-	-	1,155,653	Isebania-Kisii 85A (AfDB EURO)
9	8/13/2024	Egis Route-Scetauroute	KSHS	PV92089 WA438	-	-	-	1,739,198	1,739,198	Isebania-Kisii 86B (AfDB Kshs)
10	8/13/2024	Egis Route-Scetauroute	EURO	PV92088 WA437	7,608	-	-	-	1,083,118	Isebania-Kisii 86A (AfDB EURO)
11	8/21/2024	China Henan International	USD	PV92098 WA440	-	2,841,951	-	-	288,355,429	Isebania-Kisii 48 (AfDB USD)
12	8/21/2024	China Henan International	KSHS	PV92099 WA441	-	-	-	84,835,003	84,835,003	Isebania-Kisii 48 (AfDB Kshs)
13	8/21/2024	China Henan International	KSHS	PV92101 WA443	-	-	-	33,493,597	33,493,597	Isebania-Kisii 49 (AfDB Kshs)
14	8/21/2024	China Henan International	USD	PV92100 WA442	-	1,122,027	-	-	113,845,232	Isebania-Kisii 49 (AfDB USD)
15	8/30/2024	China Henan International	KSHS	PV92564 WA447	-	-	-	50,420,278	50,420,278	Isebania - Kisii 50 Retention (AfDB Kshs)
16	8/30/2024	China Henan International	USD	PV92563 WA446	-	1,689,066	-	-	171,379,269	Isebania - Kisii 50 Retention (AfDB USD)
17	8/30/2024	Egis Route-Scetauroute	EURO	PV92604 WA451	8,741	-	-	-	1,253,611	Isebania-Kisii 84A (AfDB EURO)
18	8/30/2024	Egis Route-Scetauroute	KSHS	PV92605 WA452	-	-	-	1,443,765	1,443,765	Isebania-Kisii 84B (AfDB Kshs)
19	8/30/2024	Abdul Mulick Associates Ltd	USD	PV92479 WA444	-	26,716	-	-	3,450,167	Kisii-Ahero 48 (AfDB USD)
20	8/30/2024	Abdul Mulick Associates Ltd	KSHS	PV92480 WA445	-	-	-	17,720,815	17,720,815	Kisii-Ahero 48 (AfDB Kshs)

**Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025**

No	Date	Payee	Currency of Payment	Payment Reference	Amounts in respective currency of IPC/fee note				Equivalent amount in reporting currency	Description
					Euro	USD	GBP	Kshs	Kshs	
21	8/30/2024	China Henan International	KSHS	PV92566 WA449	-	-	-	80,203,361	80,203,361	Isebania-Kisii 51 (AfDB Kshs)
22	8/30/2024	China Henan International	USD	PV92565 WA448	-	2,686,792	-	-	272,612,411	Isebania-Kisii 51 (AfDB USD)
23	10/16/2024	Egis Route-Scetauroute	EURO	PV92929 WA453	23,146	-	-	-	3,319,524	Isebania-Kisii 87A-89A (AfDB EURO)
24	10/16/2024	Egis Route-Scetauroute	KSHS	PV92930 WA454	-	-	-	5,297,938	5,297,938	Isebania-Kisii 87B-89B (AfDB Kshs)
25	1/16/2025	The Third Engineering Bureau	KSHS	PV 94556 WA 455	-	-	-	36,348,700	36,348,700	Kisii-Ahero IPC 55 AfDB RET KSHS
26	4/1/2025	China Henan International	USD	PV 92567 WA450	-	1,116,246	-	-	113,258,681	Isebania-Kisii 52(AfDB USD)
27	4/14/2025	China Henan International	KSHS	PV 97348 WA 459	-	-	-	76,116,472	76,116,472	Isebania-Kisii IPC 53 AfDB KSHS
28	4/14/2025	China Henan International	USD	PV 97347 WA 458	-	2,549,882	-	-	258,721,014	Isebania-Kisii IPC 53 AfDB USD
29	4/14/2025	China Henan International Cooperation Group Co. Ltd	KSHS	PV 97387 WA 457	-	-	-	98,082,861	33,849,989	Isebania-Kisii IPC 52 AfDB KSHS
30	4/14/2025	China Henan International	USD	PV 97386 WA 456	-	17,720	-	-	1,797,931	Isebania-Kisii IPC 52A AfDB USD
31	5/5/2025	China Henan International	USD	PV 97711 WA 461	-	3,153,831	-	-	320,000,000	Isebania-Kisii IPC 54 AfDB USD

**Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025**

No	Date	Payee	Currency of Payment	Payment Reference	Amounts in respective currency of IPC/fee note				Equivalent amount in reporting currency	Description
					Euro	USD	GBP	Kshs	Kshs	
32	5/16/2025	TRL Limited	GBP	PV 98835 WA 424	-	-	176,724	-	26,733,338	Road Design Manuals INV 11620073R(GBP)
		Total			54,763	15,212,639	176,724	602,327,714	2,038,653,636	

Annex 5: Analysis of Pending Bills

Supplier of Goods/Services	Date Invoiced	Original Amount	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				FY 2024/25	FY 2023/24	
		a	b	c=a-b		
Consultancy Services						
Egis Kenya	26.02.2024	90,031,705	90,031,705	-	12,418,166	FN 71-82
Egis Kenya	15.05.2024	2,708,319	2,708,319	-	2,708,319	FN 83
Egis Kenya	15.05.2024	3,028,353	3,028,353	-	3,028,353	FN 85
Egis Kenya	01.09.2021	3,273,886	3,273,886	-	3,273,886	FN 86
Egis Kenya	25.07.2023	12,775,250	-	12,775,250	-	FN 58-70
Egis Kenya	06.09.2024	1,378,795	-	1,378,795	-	FN 87-89
Egis Kenya	01.04.2025	10,258,694	-	10,258,694	-	FN 90-92
Egis Kenya	01.04.2025	4,462,557	-	4,462,557	-	FN 93&94
Abdul Mullick Associates	08.02.2024	24,144,493	24,144,493	-	3,330,274	FN 44
Abdul Mullick Associates	08.02.2024	18,293,517	18,293,517	-	2,523,242	FN 45
Abdul Mullick Associates	29.02.2024	16,002,210	16,002,210	-	2,207,752	FN 46
Abdul Mullick Associates	29.02.2024	8,690,712	8,690,712	-	1,184,924	FN 47
Abdul Mullick Associates	06.05.2024	18,859,067	16,258,657	2,600,410	18,859,067	FN 49
Abdul Mullick Associates	06.05.2024	14,382,852	12,399,011	1,983,841	14,382,852	FN 50
Abdul Mullick Associates	06.05.2024	9,015,197	7,771,721	1,243,476	9,015,197	FN 51

**Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025**

Supplier of Goods/Services	Date Invoiced	Original Amount	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				FY 2024/25	FY 2023/24	
		a	b	c=a-b		
Abdul Mullick Associates	06.05.2024	15,476,025	-	15,476,025	-	FN 52
TRL Limited	03.07.2023	898,598	898,598	-	898,598	Inv TRL-6171-05
TRL Limited	24.03.2024	325,492	-	325,492	325,492	Inv 11619753
AEA Ltd	28.03.2023	163,359,169	163,359,169	-	21,393,543	INV 20678
AEA Ltd	03.05.2024	20,626,134	20,626,134	-	2,844,984	INV 3
KIHBT	24.04.2023	4,218,750	-	4,218,750	4,218,750	Inv 6
KIHBT	24.04.2023	5,028,750	-	5,028,750	5,028,750	Inv 7
ICT	27.03.2025	8,734,713	-	8,734,713	-	FN 6
Timcon Associates	24.06.2025	12,897,578	-	12,897,578	-	FN 9
Sub-total		468,870,816	387,486,485	81,384,331	107,642,149	
Civil Works						
The Third Engineering	16.02.2019	47,713,508	47,713,508	47,713,508	47,713,508	IPC 12i
The Third Engineering	02.02.2021	198,802,256	188,886,181	42,340,812	101,872,080	IPC 35i
The Third Engineering	01.06.2021	241,177,898	241,177,898	-	25,683,941	IPC 40
The Third Engineering	11.06.2021	206,621,303	206,621,303	-	47,558,524	IPC 43
The Third Engineering	15.11.2021	228,560,586	228,560,586	-	52,608,342	IPC 44
The Third Engineering	05.05.2022	66,478,652	66,478,652	-	13,582,275	IPC 47
The Third Engineering	01.06.2022	79,380,825	-	79,380,825	79,380,825	IPC 48i
The Third Engineering	01.03.2023	87,653,959	87,653,959.00	-	1,775,248	IPC 49
The Third Engineering	20.06.2023	564,920,029	525,510,456.00	39,409,573	130,029,007	IPC 50
The Third Engineering	19.09.2023	401,356,031	308,974,944.49	92,381,087	92,381,087	IPC 51
The Third Engineering	23.11.2023	533,516,699	410,715,873.00	122,800,826	122,800,826	IPC 52
The Third Engineering	12.01.2024	277,288,459	101,332,756.00	175,955,703	175,955,703	IPC 53
The Third Engineering	24.04.2024	127,408,868	98,082,861.39	29,326,007	29,326,007	IPC 54
The Third Engineering	19.09.2024	44,645,864	41,125,807	3,520,057	-	IPC 55
The Third Engineering	14.05.2025	573,545,503	-	573,545,503	-	IPC 56
China Henan	30.07.2018	110,468,212	110,468,212	-	2,604,733	IPC 4
China Henan	29.10.2018	178,880,285	178,880,285	-	43,635,295	IPC 6

**Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025**

Supplier of Goods/Services	Date Invoiced	Original Amount	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				FY 2024/25	FY 2023/24	
		a	b	c=a-b		
China Henan	14.11.2018	205,111,062	205,111,062	-	3,077,245	IPC 7
China Henan	21.01.2019	310,132,252	310,132,252	-	4,421,797	IPC 8
China Henan	01.04.2019	165,427,507	165,427,507	-	10,646,449	IPC 9
China Henan	30.06.2019	393,371,899	393,371,899	-	4,761,892	IPC 10
China Henan	30.06.2019	280,522,418	280,522,418	-	8,451,427	IPC 11
China Henan	30.06.2019	116,762,782	116,762,782	-	5,398,220	IPC 12
China Henan	15.10.2019	177,798,040	177,798,040	-	19,776,519	IPC 13
China Henan	19.01.2020	268,750,996	234,837,153	33,913,843	36,539,820	IPC 15
China Henan	12.10.2020	354,849,016	324,861,191	29,987,825	29,987,825	IPC 21
China Henan	11.01.2021	370,591,501	370,591,501	-	54,442,627	IPC 23
China Henan	20.04.2021	387,528,003	387,528,003	-	77,284,075	IPC 24
China Henan	01.06.2021	386,642,775	386,642,775	-	77,107,537	IPC 25
China Henan	26.07.2021	168,839,347	168,839,347	-	47,246,608	IPC 26
China Henan	08.09.2021	321,053,215	321,053,215	-	81,165,068	IPC 27
China Henan	08.09.2021	221,062,673	221,062,673	-	61,860,352	IPC 28
China Henan	21.12.2021	242,684,279	242,684,279	-	67,910,764	IPC 29
China Henan	27.01.2022	163,735,230	163,735,230	-	45,818,314	IPC 30
China Henan	06.04.2022	68,080,610	68,080,610	-	68,080,610	IPC 31i
China Henan	28.03.2022	288,662,104	288,662,104	-	80,776,819	IPC 32
China Henan	08.04.2022	166,541,699	166,541,699	-	42,725,605	IPC 33
China Henan	05.08.2022	133,590,412	116,668,645	16,921,767	-	IPC 34
China Henan	19.08.2022	163,661,563	110,719,527	52,942,036	52,942,036	IPC 35
China Henan	08.04.2022	144,388,657	103,027,981	41,360,676	41,360,676	IPC 36
China Henan	12.10.2022	152,717,902	117,566,454	35,151,448	35,151,448	IPC 37
China Henan	12.10.2022	281,755,347	216,903,039	64,852,308	64,852,308	IPC 38
China Henan	02.05.2023	228,050,305	175,559,416	52,490,889	52,490,889	IPC 39
China Henan	01.03.2013	279,484,001	215,154,494	64,329,507	64,329,507	IPC 41
China Henan	22.03.2023	63,759,751	10,216,202	53,543,549	63,759,751	IPC 42i

**Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero (A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025**

Supplier of Goods/Services	Date Invoiced	Original Amount	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				FY 2024/25	FY 2023/24	
		a	b	c=a-b		
China Henan	02.06.2023	478,304,546	368,212,034	110,092,512	110,092,512	IPC 43
China Henan	Various	58,100,518	-	58,100,518	-	IPC 39,41&43
China Henan	11.05.2023	133,239,997	102,571,825	30,668,172	30,668,172	IPC 44
China Henan	27.06.2023	272,629,993	209,878,089	62,751,904	62,751,904	IPC 45
China Henan	27.05.2024	582,435,615	448,375,004	134,060,611	134,060,611	IPC 46
China Henan	27.05.2024	484,771,446	373,190,432	111,581,014	484,771,446	IPC 48
China Henan	27.05.2024	191,391,985	147,338,830	44,053,155	191,391,985	IPC 49
China Henan	22.07.2024	509,227,692	352,815,773	156,411,919	-	IPC 51
China Henan	22.07.2024	214,920,563	148,906,600	66,013,963	-	IPC 52
China Henan	02.02.2025	483,279,188	334,837,486	148,441,702	-	IPC 53
China Henan	01.04.2025	563,426,867	320,000,002	243,426,865	-	IPC 54
KPLC	12.02.2021	18,067,841	18,067,841	-	18,067,841	INV 20678
Sub-total		14,463,770,534	11,646,300,452	2,817,470,082	3,201,078,059	
Land Compensation		697,918,445	341,149,487	356,768,958	518,176,282	
Grand-Total		15,630,559,795	12,374,936,924	3,255,623,371	3,826,896,490	

***Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania – Kisii – Ahero
(A1) Road Rehabilitation
Annual Report and Financial Statements for the financial year ended June 30, 2025***

Annex 6: Other Support Documents

- i. Bank Reconciliations statement as at 30th June 2025
- ii. Special Deposit Account reconciliation statement



KENYA NATIONAL HIGHWAYS AUTHORITY
BANK RECONCILIATION STATEMENT AS AT 30 JUNE 2025

ACCOUNT NO: 7700009953

ACCOUNT NAME: KENYA NATIONAL HIGHWAYS AUTHORITY-SIRARI CORRIDOR

BANK & BRANCH: NATIONAL BANK OF KENYA

STATION: KenHA HEADQUARTERS

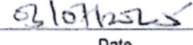
	as at June 30, 2025	
	Sh.	Sh.
Balance as per Bank Statement		402,630.00
Less 1 Statement(Unpresent Chqs)	-	
2 Receipt in the Bank statement Not in the Cashbook.	-	0.00
		402,630.00
Add 3 Payment in Bank Statement not yet recorded in cashbook	-	
4 Receipt in Cashbook not in Bank statement	-	
5 Bank Charges	-	0.00
Balance as per the reconciliation		402,630.00
Balance as per Cashbook		402,630.00

Deficit /Surplus

Prepared By:

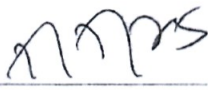

Signature

Senior Accountant
Designation


Date

Checked By 
Signature

Assistant Director.
Designation


Date

Authorized By 
Signature

Deputy Director Finance & Accounts
Designation


Date

Bank reconciliation

KENYA NATIONAL HIGHWAYS AUTHORITY

Page 1 of 1

03/07/2025

30:16

Bank account: BANK00039
Name: NBK Sirari Corridor
Currency: KES
Bank statement date: 30/06/2025
Bank statement: JUNE 2025
Reconciled: 03/07/2025

Date	Voucher	Name	Payment reference	Deposit slip	Amount
30/06/2025		Bank statement ending balance			402,630.00
30/06/2025		Unreconciled bank transactions by ending date			0.00
30/06/2025		Closing			402,630.00
31/05/2025		Balance			402,630.00
30/06/2025		Reconciled bank transactions by ending date			0.00
30/06/2025		Balance after reconciled transactions			402,630.00
30/06/2025		Unreconciled bank transactions by ending date			0.00
30/06/2025		Closing			402,630.00
		Difference			0.00

Bank account statement

KENYA NATIONAL HIGHWAYS AUTHORITY

Currency

KES

Bank account	Account name	Date	Vendor/Customer Name	Description	Voucher	Deposit slip	Payment reference	Method of payment	Bank amount	Correction amount	Corrected bank amount	Amount in accounting currency	Running Balance
BANK0039	NBK Sirari Corridor	01/06/2025							0.00	0.00	0.00	0.00	402,630.00
									0.00	0.00	0.00	0.00	402,630.00
		30/06/2025						Closing					402,630.00



A Subsidiary of Access Bank PLC

Important Information


KeNHA SIRARI CORRIDOR PROJECT

00100
NAIROBI

Account Information

Account Name KeNHA SIRARI CORRIDOR PROJECT
Account Number 7700059012
Account Type Current Accounts Corporat
Currency KES
Statement Period 2025-06-01
Statement Date 2025-06-30
Branch Name HILL PLAZA

Statement

Account Name: KeNHA SIRARI CORRIDOR PROJECT			 National Bank			
Account Type: Current Accounts Corporat			A Subsidiary of Access Bank PLC			
Printed On: Thursday July 2025 08:46:50 AM						
Transaction Date	Value Date	Reference	Transaction Details	Debit	Credit	Book Balance
01 JUN 25			Balance B/Fwd	0.00	402,630.00	402,630.00
Total Value				0.00	402,630.00	

Cleared Balance As at : 402,630.00

Effect not Cleared : 0.00

Book Balance as at : 402,630.00

Kindly verify all transactions reflected on this statement and notify any discrepancies to the bank as soon as possible

**SIRARI CORRIDOR ACCESSIBILITY AND ROAD SAFETY
 STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT
 FOR THE YEAR ENDED 30TH JUNE 2025
 PART B: ACCOUNT RECONCILIATION STATEMENT**

PROJECT No. 5580155000451
 Bank Account No.1000356677 Held with Central Bank of Kenya

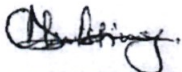
	NOTES	AMOUNT	AMOUNT
		EURO	EURO
1 Amount advanced by ADB			433,154.78
Less			
2 Total amount justified to ADB			214,969.78
3 Outstanding amount advanced to Designated Account			218,185.00
Represented by:			
4 Ending Designated Account Balance at 30.06.2025			84,964.78
5 Amount claimed but not credited at 30.06.2025			-
6 Amount withdrawn and not claimed as at 30.06.2025			133,220.22
7 Service charges (if not included in 5 & 6 above)			-
Less			
8 Interest earning (if included in Designated Account)			-
9 Total advance to Designated Account year ended 30.06.2024			218,185.00

Discrepancy between total appearing on lines 3 and 9 _____ -

Notes:

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

The amount appearing on line 6 is eligible for financing by ADB and shall be documented in subsequent IFRs/SOEs



AUTHORIZED REPRESENTATIVE

RESOURCES MOBILIZATION DEPARTMENT - TREASURY DATE:

01-08-2025

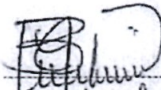
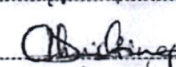
2

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2025
Account No.	1000356677
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	SIRARI CORR. ACC. & RD SAFETY IMPR
Credit Agreement	
Currency	EUR

Part A - Account Activity

Beginning balance of 1st July, 2024 as per C.B.K. Ledger Account	214,964.78
Add:	
Total Amount deposited by ^{ANB} World Bank	0.00
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	130,000.00
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2025	84,964.78

AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE:	
	DATE	14/07/2025
AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	SIGNATURE:	
	DATE	21/08/2025

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2025 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 - 1 of 1

Run Date: Run Time: STATEMENT OF ACCOUNT PAGE NO: 1
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 00000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2024 To 30/06/2025
 ACCOUNT NUMBER:
 ACCOUNT TITLE: SIRARI CORR. ACC. & RD SAFETY IMPR

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL.:			214,364.78		
NO.	Value Date	Reference.No	Details	Debit	Credit
1	30/06/2025	FT25181QHSWM,1	PA138449	-130,000.00	0.00
				CLOSING BALANCE: 84964.78	

END OF ACCOUNT STATEMENT

Favourites TAM.E.STMT.OF.ACCT.EPRM [More Options](#) [Clear Selection](#)

Account	equals	1000356677
Statement From	equals	20240701
Statement To	equals	20250630

TAM.E.STMT.OF.ACCT.EPRM

