

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

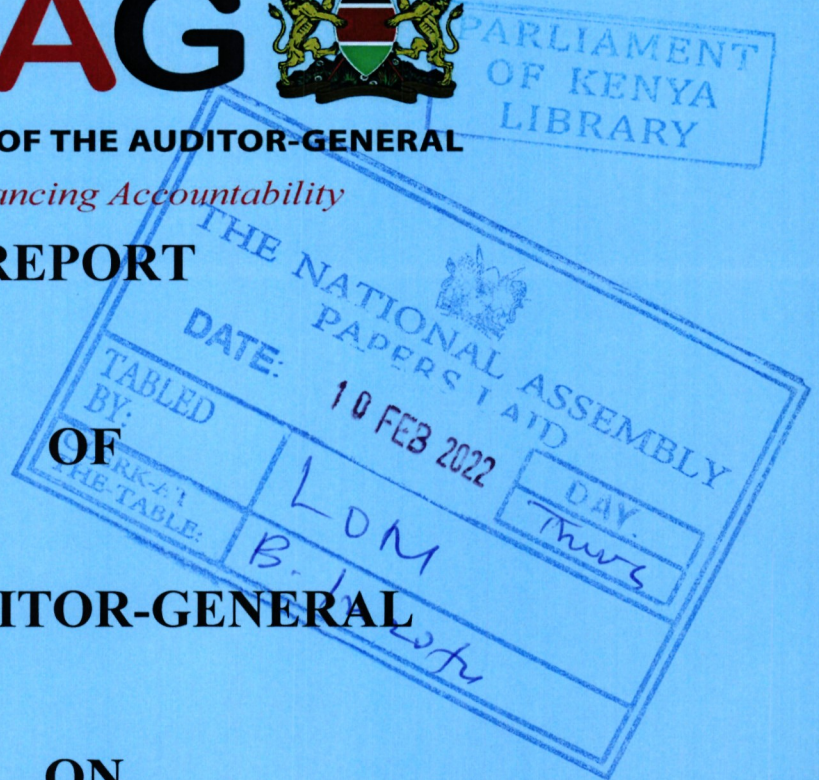
**THE AUDITOR-GENERAL**

**ON**

**RURAL ELECTRIFICATION IN FIVE  
REGIONS PROJECT  
(CR.NO.11/597KE, CR.NO.1407PKE)**

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

**RURAL ELECTRIFICATION AND  
RENEWABLE ENERGY CORPORATION**





**RURAL ELECTRIFICATION IN FIVE REGIONS PROJECT**

**RURAL ELECTRIFICATION AND RENEWABLE ENERGY CORPORATION**

**PROJECT CREDIT NUMBER 11/597KE, 1407PKE**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2021**

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

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**1. PROJECT INFORMATION AND OVERALL PERFORMANCE**

**1.1 Name and registered office**

**Name:** Rural Electrification in Five Regions Project

**Objective:** The key objectives of the project are:

- The provision of power supply to houses, schools health and government centres and commercial, industrial and agricultural activities which will help on boosting the economic and social development.
- The project will improve small industries working in the field of agriculture industries specially tea and coffee

The project headquarters offices are in Nairobi, Kenya

The address of its registered office is:

Kawi House, Red Cross Road,  
P.O Box 34585 – 000100,  
Telephone: (254) 2341400, 2710955,  
E-mail: [info@rea.co.ke](mailto:info@rea.co.ke),  
Website: [www.rea.co.ke](http://www.rea.co.ke)

**1.2 Project Information**

Project Start Date:	The project start date is 23 <sup>th</sup> September 2013
Project End Date:	The project end date is 31 <sup>st</sup> December 2021
Project Coordinator:	The project coordinator is Mr. Edward Gakunju
Project Sponsor:	The project sponsor is BADEA, OFID, Abu Dhabi, Saudi and GOK, through the National Treasury

**1.3 Project Overview**

Line Ministry	The project is under the supervision of the Ministry Of Energy.
Project number	The project number is CREDIT NUMBER 11/597KE/1407PKE
Strategic goals of the project	The strategic goals of the project are as follows: (i) To connect public facilities in selected areas (ii) To connect household in the selected areas
Achievement of	The project management aims to achieve the goals through the

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strategic goals	extension of electricity supply
Other important background information of the project	The overall project has components: a) Construction of distribution networks b) Consultancy service for preparation of design and tender documents.
Current situation that the project was formed to intervene	To supplement the Government efforts of connection of all public facilities and households in the rural areas by the year 2020, though we are requesting extension due to Covid-19 Pandemic challenges.
Project duration	The project started on 23rd September 2013 and is expected to run until 31 <sup>st</sup> December 2021, though we are requesting extension due to Covid-19 Pandemic challenges.

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**PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.4 Project Information**

Project Start Date:	The project start date is 23 <sup>th</sup> September 2013
Project End Date:	The project end date is 31 <sup>st</sup> December 2021
Project Coordinator:	The project coordinator is Mr. Edward Gakunju
Project Sponsor:	The project sponsor is BADEA, OFID, Abu Dhabi, Saudi and GOK, through the National Treasury

**1.5 Project Overview**

Line Ministry	The project is under the supervision of the Ministry Of Energy.
Project number	The project number is CREDIT NUMBER 11/597KE/1407PKE
Strategic goals of the project	The strategic goals of the project are as follows: (iii) To connect public facilities in selected areas (iv) To connect household in the selected areas
Achievement of strategic goals	The project management aims to achieve the goals through the extension of electricity supply
Other important background information of the project	The overall project has components: c) Construction of distribution networks d) Consultancy service for preparation of design and tender documents.
Current situation that the project was formed to intervene	To supplement the Government efforts of connection of all public facilities and households in the rural areas by the year 2020, though we are requesting extension due to Covid-19 Pandemic challenges.
Project duration	The project started on 23rd September 2013 and is expected to run until 31 <sup>st</sup> December 2021, though we are requesting extension due to Covid-19 Pandemic challenges.

**PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.6 Bankers**

The project does not operate bank accounts.

**1.7 Auditors**

The project is audited by the:

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P O Box 30084-00100  
Nairobi

**1.8 Roles and Responsibilities**

<b>Names and contact details</b>	<b>Title designation</b>	<b>Key Qualifications</b>	<b>Responsibilities</b>
Edward Gakunju 0722244879 egakunju@rea.co.ke	Project Coordinator	Master's Degree in Economic Policy Management	Overall coordination of Project activities <b>Responsibilities</b> <ul style="list-style-type: none"> <li>• Coordinate Project implementation activities as per the work plan</li> <li>• Prepare project implementation reports</li> <li>• Attend project coordination meetings</li> </ul>
Lucy Kinyanjui 0722842402 lkinyanjui@rea.co.ke	Project Accountant	Bsc Admin(Accounting), C.P.A (K)	<ul style="list-style-type: none"> <li>• Preparation of Financial Reports for the project</li> <li>• Process of project related payments</li> </ul>

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<p>Festus Kasonzo 0722138880  fkasonzo@rea.co.ke</p>	<p>Procurement Specialist</p>	<p>Master's Degree in Procurement and Supplies</p>	<ul style="list-style-type: none"> <li>• Preparation of projects procurement plans</li> <li>• Preparation of bid documents</li> <li>• Coordinate tendering evaluation and award notifications</li> <li>• Coordination of procurement activities of the project</li> </ul>
<p>Nicholas Muigai 0722269540 nmuigai@rea.co.ke</p>	<p>Project Engineer</p>	<p>Bsc in Electrical Engineering</p>	<ul style="list-style-type: none"> <li>• Review of project designs</li> <li>• Analyse all the Technical aspects of the project</li> </ul>
<p><b>BADEA,OFID, ABUDHABI, SAUDI, GOK</b></p>			<ul style="list-style-type: none"> <li>• Project sponsors.</li> <li>• Review and approving the projects withdrawal applications, expenditure justifications, no objection requests, annual work plan and budget, expenditure category reallocation request.</li> <li>• Participating in implementation support missions.</li> </ul>
<p>The Ministry Of Energy</p>			<ul style="list-style-type: none"> <li>• Ensures Project's budget is captured in its development Projects</li> <li>• Disburse the government counterpart funding.</li> <li>• Review and track the Project's annual work plan and budget against the set targets and makes the approvals.</li> <li>• Oversee the execution of the project coordinating team.</li> </ul>

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The Office Of The Auditor General			<ul style="list-style-type: none"> <li>• Mandated to audit all national government entities, which include government development projects and present these statutory financial statements to the Parliament.</li> <li>• Facilitate submission of the audited report to the project's sponsors by 30<sup>th</sup> December each year.</li> </ul>

**1.9 Funding summary**

The Project is for duration of (8) years from 2013 to 2021. The total project Cost is US \$ 57M (BADEA- US\$ 10M; OFID US\$15M; SAUDI- US\$12 M ABU DHABI –US\$10M and Kenya Government US\$10M) as highlighted in the table below:

**PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

Below is the funding summary:

**A. Source of Funds**

Source of funds	Donor Commitment		Amount received to date (30.06.2021)		Undrawn balance to date (30.06.2021)	
	USD (A)	Kshs (A')	USD (B)	Kshs (B')	USD (A)-(B)	Kshs (A')-(B')
<b>(i) Loan</b>						
BADEA, OFID, SAUDI, ABUDHABI	47,000,000	4,828,780,000	15,518,735	1,586,750,307	31,481,265	3,242,029,693
(iii) Counterpart Funds-GOK	10,000,000	1,027,400,000	2,633,237	269,241,676	7,366,763	758,158,324
<b>Total</b>	<b>57,000,000</b>	<b>5,856,180,000</b>	<b>18,151,972</b>	<b>1,855,991,983</b>	<b>38,848,028</b>	<b>4,000,188,017</b>

**PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**B. Application of Funds**

Application of funds	Amount received to date – (30 <sup>th</sup> June 2021)	Amount paid to date – (30 <sup>th</sup> June 2021)	Unutilised balance to date (June 2021)
	Donor currency	Kshs	Donor currency
	(A)	(A')	(A)-(B)
			Kshs
			(A')-(B')
<b>1) Loan</b>			
BADEA, OFID, SAUDI, ABUDHA BI	15,518,735	1,586,750,307	-
Government of Kenya	2,633,237	269,241,676	-
<b>Total</b>	<b>18,151,972</b>	<b>1,855,991,983</b>	<b>-</b>

**PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.10 Summary of Overall Project Performance:**

- i) Budget performance against actual amounts for current year and for cumulative to-date,
- ii) Physical progress based on outputs, outcomes and impacts since project commencement,
- iii) Comment on value-for-money achievements,
- iv) Absorption rate for each year since the commencement of the project.
- v) Implementation challenges and recommended way forward.

**1.10.1 Budget performance against actual amounts for current year and for cumulative to-date,**

During the year under review, the project received Kshs. 764,280,333 against a final budget of Kshs. 2,087,000,000 and incurred a total expenditure of Kshs. 764,280,333 against a budget of Kshs 2,087,000,000 resulting to underutilization of Kshs 1,439,769,645 or 69%. The projects' cumulative receipts and payments are Kshs 1,855,991,983 and Kshs 1,855,991,983 respectively.

**1.10.2 Physical progress based on outputs, outcomes and impacts since project commencement,**

<b>Activities planned for the reporting period</b>	<b>Activity Implementation Status</b>	<b>Narration</b>
Preparation of projects designs and lotting	Designs and surveying of projects	Completed.
Recruitment of Consultant for the project done	To supervise the construction of distribution lines	Completed.
Recruitment of Construction contractor	Preparation of bid, advertisements, opening of bids, evaluation of bids and awards of jobs	Completed.
Submission of bonds and guarantees	For the 5 Lots awarded	Completed
Site and design files handing over	For the 5 Lots awarded	Completed
Payment of advance	For materials both local and foreign	Completed
Factory Acceptance Tests	For materials already completed was	Completed

	done virtually	
Delivery of materials	For the 5 Lots awarded	54% complete
Installation of power lines	For the 5 Lots awarded	On going

### **1.10.3 Comment on value-for-money achievements**

The project was extended and the new closure date is 31<sup>st</sup> December 2022. The Corporation is overseeing activities of the construction contractor to ensure implementation of the planned activities is achieved.

The following are the achievements: -

1. Design for distribution lines done and completed on time
2. Recruitment of construction contractors done in 2016
3. Supervision consultant recruited for the project
4. Construction materials delivery at 54%
5. Construction of power distribution lines at 24%

### **1.10.4 Absorption rate for each year since the commencement of the project.**

The absorption rate is 32% compared to the disbursement plan in the Project Appraisal Document (PAD) this was due to low budget allocation granted by the National Treasury. As at to date the financiers have disbursed USD 18,151,972 against a commitment of USD 57,000,000.

### **1.10.5 Implementation challenges and recommended way forward.**

- a) The world is experiencing a pandemic called COVID-19. An effort to contain the spread is social distancing which has drastically affected the progress in material manufacturer, travel and exchange of documents.
- b) Complexities of dealing with more than one financier. This can be resolved by appointing one financier as the lead.
- c) Complexities of opening letters of credit given different conditions for the financiers
- d) Delay in processing of documents since hardcopies must be forwarded to all financiers to effect payments.

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**1.11 Summary of Project Compliance:**

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

## **2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES**

### **Introduction**

- a) 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.
- b) The Government of Kenya has committed to achieve universal access to power supply by ensuring all the public facilities and households are connected. This will also help in realization of the Vision 2030 as well as the support to the Big 4 Agenda being implemented by the Government; i.e. food security, affordable housing, manufacturing and affordable healthcare. In view of this there are a number of public facilities connected to power supply and this project is aimed at connection of these public facilities and households. These Public Facilities including includes Health Centres , Trading Centres and Secondary Schools etc
- c) Energy access is a critical factor in reducing poverty and is a fundamental means to achieve sustainable development. By developing adequate infrastructure that provides consistent and affordable access to energy, the local communities can significantly improve their standard of living and enhance their economic status, through a healthier home environment, access to new productive activities and improved education.
- d) Recognizing importance of electricity access to national development, the government identified energy as one of the key enablers to its long term development plan the "Kenya Vision 2030" that was launched in the year 2008. The aim of the Vision is to make Kenya a globally competitive and prosperous country with a high quality life to all Kenyans by 2030.
- e) This will only be achieved if all the public facilities and households are connected. According to REREC Strategic Plan 2018/19 to 2022/23, there are about 25,899 public facilities that are yet to be connected to Electricity. This project aims at connection of some of the non-electrified public facilities.

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**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
Rural Electrification in Five Regions	Provision of electricity in five region	Connection of public facilities and households.	Availability of electricity.	Delivery of construction materials at 54%
				Installation of distribution lines at 24%
				Factory Acceptance Tests for all distribution line materials at 84%

### **3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

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

#### **1. Sustainability strategy and profile**

The Corporation is committed to promoting reliable power supply and through the dedicated departments, quality powerline systems is sustained. The evaluation and monitoring that is done throughout the project implementation process ensures compliance with sustainability strategy.

#### **2. Environmental performance**

The Corporation engages environmental specialists in the identification of projects and complies with Nema guidelines on impact on environment.

#### **3. Employee welfare**

The policies that guides the Corporation on recruitment includes: PSC Recruitment and Selection Policy; Delegation of PSC HRM Functions to the Cabinet Secretary, July,2018; Framework for Short Term Employment in the Public Service, May,2019; and Human Resources Policies and Procedure Manual for the Public Service, May,2016. This enabled the Corporation to promote common cadre under the delegated powers as guided by the policy taking into consideration gender and regional balance.

For skill improvements and career progression the Corporation is guided by Human Resource Development Policy for the Public Service, June, 2015 and Guidelines on Managing Training in the Public Service. This enabled the Corporation to conducts individual trainings programmes required for career progression/promotion and those required in the Schemes of Service for various cadres and also group trainings for various cadres.

The Corporation ensured that all staffs were put on Performance Appraisal System (PAS) as guided by guidelines for Implementation of Performance Rewards and Sanctions in the Public Service and also Performance Rewards and Sanctions framework.

The Corporation has developed its own Occupational Safety and Health Policy with reference to made Occupational Safety and Health, ACT of 2007. A Corporation Committee on Occupational Safety and Health is in place which ensures adherence to OSHA and safety and security of the staff and Corporation properties.

#### 4. Market place practices

- a) **Responsible competition practice.** (Strict adherence to financiers Regulations on Banks Anti-corruption guidelines)
- b) **Responsible Supply chain and supplier relations-** Procurement undertaken in compliance with WB Procurement Regulations as per Section 3.7 of the regulations are as follows;
  - a. Provide timely and sufficient information to Bidders/Proposers/Consultants, including through the Notification of Intention to Award and debriefing, so that Bidders/Proposers/Consultants can both understand the basis for the Borrower's decision and make an informed decision on whether to lodge a Complaint challenging that decision.
  - b. Promptly acknowledge Complaints received;
  - c. Resolve Complaints promptly and fairly;
  - d. Preserve the confidentiality and proprietary information of other Applicants/ Bidders/Proposers/Consultants, including commercial and financial information and trade secrets as requested by the Bidders/Proposers/Consultants in their Bids/Proposals;
  - d. Maintain complete records of all debriefings and Complaints and their resolution;
  - e. For contracts subject to prior review, inform the Bank promptly of any Complaint submitted and provide the Bank a copy of all relevant documents and information; and
  - f. For contracts subject to prior review, The Client consult with the Bank promptly and forthrightly throughout the Complaint review and resolution process.
- c) **Responsible marketing and advertisement-:** Ensuring suppliers are given sufficient time to respond. Provide extensions in even of clarifications lead to substantial changes to bidding documents
- d) **Product stewardship-;** we have to ensure adherence to NEMA in project implementation is undertaken and well as pursuing "green procurement "to ensure that suppliers who value the environment are encouraged.

#### 5. Community Engagements

The Corporation has been carried out the following measures to enhance acceptance of the projects by the communities around the project area; The Corporation has put in place mechanism for engagement of the people during project implementation. Among them includes operationalization of Stakeholders Coordination Committees and rolling out of community engagement strategy and policy.

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In addition the Corporation continued to ensure that local communities were considered for jobs during the implementation of the energy projects. Local communities were also involved during land acquisition.

#### **4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES**

The Chief Executive Officer, Rural Electrification and Renewable Energy Corporation and the Project Manager, are responsible for preparing the project's financial statements, which give a true and fair view of the state of affairs of the project as at the end of the accounting period. This responsibility includes: maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and ensuring that they are free from material misstatements, whether due to fraud or error; safeguarding the assets of the Project; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Chief Executive Officer and the Project Manager for BADEA project accept responsibility for the project's financial statements, which have been prepared on the Cash Basis method of Financial Reporting, using appropriate accounting policies in accordance with the International Public Sector Accounting Standards (IPSAS).

The Chief Executive Officer and the Project Manager for BADEA project are of the opinion that the financial statements give a true and fair view of the state of the project financial position as at June 30, 2021. The Chief Executive Officer and the Project Manager BADEA project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon on the preparation of the Financial Statements as well as on the adequacy of the internal control systems.

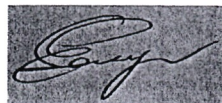
The Chief Executive Officer and the Project Manager for BADEA project confirm that the Project has complied fully applicable Government Regulations the terms of the Financing Covenants and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

#### **Approval of the Project financial statements**

The Project financial statements were approved by the Chief Executive Officer and the Project Manager for BADEA on 20/9/ 2021 and signed by them.



Chief Executive Officer  
CPA Peter Mbugua



Project Manager  
Edward Gakunju



Project Accountant  
CPA Lucy Kinyanjui  
ICPAK 4862

# REPUBLIC OF KENYA

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*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON RURAL ELECTRIFICATION IN FIVE REGIONS PROJECT (CR.NO.11/597KE, CR.NO.1407PKE) FOR THE YEAR ENDED 30 JUNE, 2021 - RURAL ELECTRIFICATION AND RENEWABLE ENERGY CORPORATION**

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### PREAMBLE

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

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

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

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

## REPORT ON THE FINANCIAL STATEMENTS

### Opinion

I have audited the accompanying financial statements of Rural Electrification in Five Regions Project (CR.NO.11/597KE,CR.NO.1407PKE) set out on pages 1 to 41, which comprise the statement of financial assets as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Rural Electrification in Five Regions Project as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Financing Agreement with Arab Bank for Economic Development in Africa (BADEA) dated 23 September, 2011, the Abu Dhabi Fund for Development dated 22 September, 2013, CR.No.11/597KE dated 6 September, 2013, with the Saudi Fund for Development, and CR.No.1407PKE dated 25 September, 2011, the OPEC Fund for International Development, and the Republic of Kenya.

### Basis for Opinion

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

### Emphasis of Matter

#### Low Absorption of Project Funds

Note 1.9 on funding summary indicates that both the Donor and the Government of the Republic of Kenya had made commitments amounting to Kshs.5,856,180,000 (USD 57,000,000). The actual amount received during the Project's period totalled to Kshs.1,855,991,983 (USD 18,151,972) equivalent to 31.7% of the funding, leaving a balance of Kshs.4,000,188,017 (USD 38,848,028) undrawn, yet the project had been ongoing for seven years and nine months leaving a variance of implementation period of six months only. However, with the Project's closing date of 31 December 2021, the credit may lapse without being fully utilized and the objectives and planned deliverables may not be realized.

My opinion in respect of this matter is not modified.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, are of most significance in the audit of the financial statements. I have determined that there were no key audit matters to report in the year under review.

## **Other Matter**

### **1.0 Delayed Project Implementation**

Review of the financial records indicated that the Government of Kenya entered into financing agreement with four (4) financiers for implementation of rural electrification projects in five (5) regions at a total cost of Kshs.5,856,180,000.

According to the agreements, the projects were to commence in September, 2013 with an expected completion date of December, 2021. Review of the statement of receipts and payments indicates that an amount of Kshs.1,855,991,983 had been incurred on the projects, which amounts to 31.7% of the total funding. However, out of the project timelines of 99 months, 93 months which is equivalent to 94% of the time, had lapsed. The Management did not explain how they intend to fast track the implementation of the projects considering the fact that the financing agreements will lapse on 31 December, 2021.

Consequently, delay in project implementation has affected the project's planned activities and therefore impacting negatively on service delivery to the public.

### **2.0 Pending Bills**

Annex 3A to the financial statements reflects pending bills totalling to Kshs.795,366,464 as at 30 June, 2021. The Management did not explain reasons for non-settlement of the bills and therefore the project is at the risk of incurring significant interest costs and penalties with the continued delay in payment. Further, failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

## **Other Information**

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

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the financing agreement for Rural Electrification in Five Regions Project between the Arab Bank for Economic Development in Africa (BADEA), Saudi Fund for Development, The Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development, 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.

### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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


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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**22 December, 2021**

**Rural Electrification In Five Regions Project  
Reports and Financial Statements  
For the financial year ended June 30, 2021**

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

Note	2020-2021		2019-2020		Cumulative to date
	Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>RECEIPTS</b>					
1	126,049,978		126,049,978		1,182,371
2	-		-		-
3		638,230,355	638,230,355	251,315,347	1,586,750,307
4	-		-		-
<b>Total receipts</b>	<b>126,049,978</b>	<b>638,230,355</b>	<b>764,280,333</b>	<b>251,315,347</b>	<b>1,855,991,983</b>
<b>PAYMENTS</b>					
5	-		-		-
6	-		-		-
7	-		-		-
8	126,049,978	638,230,355	764,280,332.82	251,315,347	1,855,991,983
9	-		-		-
10	-		-		-
<b>TOTAL PAYMENTS</b>	<b>126,049,978</b>	<b>638,230,355</b>	<b>764,280,332.82</b>	<b>251,315,347</b>	<b>1,855,991,983</b>
<b>SURPLUS/DEFICIT FOR THE YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

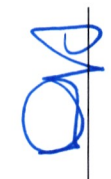
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



Chief Executive Officer  
CPA Peter Mbugua



Project Manager  
Edward Gakunju



Project Accountant  
CPA Lucy Kimyanjui  
ICPAK 4862

**Rural Electrification In Five Regions Project**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

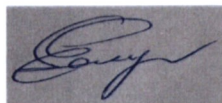
**7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021**

	Note	2020-2021 Kshs	2019-2020 Kshs
<b>Cash and Cash Equivalents</b>			
Bank Balances	11..A		
Cash Balances	11.B	-	-
Cash Equivalents (short-term deposits)	11.C	-	-
Total Cash and Cash Equivalents		-	-
Accounts receivables – Imprest and Advances	12	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>-</b>	<b>-</b>
<b>FINANCIAL LIABILITIES</b>			
Payables- Deposits and Retentions	13		
<b>REPRESENTED BY:</b>			
Fund balance b/fwd	14		
Prior year adjustments	15	-	-
Surplus/Deficit for the year		-	-
<b>NET FINANCIAL POSITION</b>		<b>-</b>	<b>-</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 20/9/2021 2021 and signed by:



Chief Executive Officer  
CPA Peter Mbugua



Project Manager  
Edward Gakunju



Project Accountant  
CPA Lucy Kinyanjui  
ICPAK 4862

**Rural Electrification In Five Regions Project**  
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**For the financial year ended June 30, 2021**

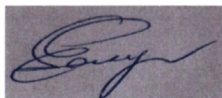
**8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021**

	Note	2020-2021 Kshs	2019-2020 Kshs
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts from operating income</b>			
Transfer from Government entities	1	126,049,978	1,182,371.05
Proceeds from domestic and foreign grants	2	-	-
Miscellaneous receipts	4	-	-
<b>Payments from operating expenses</b>			
Compensation of employees	5	-	-
Purchase of goods and services	6	-	-
Social security benefits	7	-	-
Transfers to other government entities	9	-	-
Other grants and transfers and payments	10	-	-
<b>Adjustments during the year</b>	15		
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	16	-	-
Increase/(Decrease) in Accounts Payable:	17	-	-
<b>Net cash flow from operating activities</b>		<b>126,049,978</b>	<b>1,182,371</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of non-financial assets	8	-764,280,333	-252,497,718
<b>Net cash flows from Investing Activities</b>		<b>-764,280,333</b>	<b>-252,497,718</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from Foreign Borrowings	3	638,230,355	251,315,347
<b>Net cash flow from financing activities</b>		<b>638,230,355</b>	<b>251,315,347</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalent at END of the year</b>		<b>-</b>	<b>-</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 20/9/2021 and signed by:



Chief Executive Officer  
CPA Peter Mbugua



Project Manager  
Edward Gakunju



Project Accountant  
CPA Lucy Kinyanjui  
ICPAK 4862

*Rural Electrification In Five Regions Project  
Reports and Financial Statements  
For the financial year ended June 30, 2021*

**9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

Receipts/Payments Item	Original Budget	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	c=a+b	d	e=d-c	f=d/c %
	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>					
Payments from Government entities	126,049,978	126,049,978	126,049,978	0.00	100
Proceeds from domestic and foreign grants	-	-	-	-	-
Proceeds from borrowings	2,078,000,000	2,078,000,000	638,230,355	- 1,439,769,645	31
Miscellaneous receipts	-	-	-	-	-
<b>Total Receipts</b>	<b>2,204,049,978</b>	<b>2,204,049,978</b>	<b>764,280,333</b>	<b>- 1,439,769,645</b>	
<b>Payments</b>					
Compensation of employees	-	-	-	-	-
Purchase of goods and services	-	-	-	-	-
Social security benefits	-	-	-	-	-
Acquisition of non-financial assets	2,204,049,978	2,204,049,978	764,280,333	- 1,439,769,645	35
Transfers to other government entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Other payments	-	-	-	-	100
<b>Total Payments</b>	<b>2,204,049,978</b>	<b>2,204,049,978</b>	<b>764,280,333</b>	<b>- 1,439,769,645</b>	

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



Chief Executive Officer  
CPA Peter Mbugua



Project Manager  
Edward Gakunju



Project Accountant  
CPA Lucy Kinyanjui  
ICPAK 4862

## **10. SIGNIFICANT ACCOUNTING POLICIES**

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

### **10.1 Basis of Preparation**

### **10.2 Statement of compliance and basis of preparation**

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

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

### **10.3 Reporting entity**

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

#### **10.3.1 Reporting currency**

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

#### **10.4 Significant Accounting Policies**

##### **a) Recognition of receipts**

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

##### **i) Transfers from the Exchequer**

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

##### **ii) External Assistance**

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

##### **iii) Other receipts**

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

##### **b) Donations and grants**

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

**Significant Accounting Policies (Continued)**

**c) Proceeds from borrowing**

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

**d) Undrawn external assistance**

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

**e) Recognition of payments**

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

**i) Compensation of employees**

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

**ii) Use of goods and services**

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

**Significant Accounting Policies (Continued)**

**iii) Interest on borrowing**

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

**iv) Repayment of borrowing (principal amount)**

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

**v) Acquisition of fixed assets**

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

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

**f) In-kind donations**

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

**Significant Accounting Policies (Continued)**

**g) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank

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

**Restriction on cash**

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

**h) Accounts receivable**

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

## **Significant Accounting Policies (Continued)**

### **i)Contingent Liabilities**

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 5** of this financial statement is a register of the contingent liabilities in the year.

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

### **j) Contingent Assets**

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

**Significant Accounting Policies (Continued)**

**k) Pending bills**

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

**l) Budget**

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

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

**m) Third party payments**

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

During the year Kshs 638,230,235 being loan disbursements were received in form of direct payments from third parties.

**Significant Accounting Policies (Continued)**

**n) Exchange rate differences**

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

**o) Comparative figures**

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

**p) Subsequent events**

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

**q) Errors**

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

*Rural Electrification In Five Regions Project  
Reports and Financial Statements  
For the financial year ended June 30, 2021*

**11. NOTES TO THE FINANCIAL STATEMENTS**

**1. RECEIPTS FROM GOVERNMENT OF KENYA**

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

	2020-2021	2019-2020	Cumulative
	KShs	KShs	to-date (from inception)
<i>Counterpart funding through Ministry Of Energy</i>			
Counterpart funds Quarter 1	-	-	-
Counterpart funds Quarter 2	-	-	-
Counterpart funds Quarter 3	-	-	-
Counterpart funds Quarter 4	-	-	-
	-	-	-
<i>Other transfers from government entities</i>	-	-	-
Acquisition of non financial assets	126,049,978	1,182,371	269,241,676
	-	-	-
<b>Total</b>	<b>126,049,978</b>	<b>1,182,371</b>	<b>269,241,676</b>

*Rural Electrification In Five Regions Project  
Reports and Financial Statements  
For the financial year ended June 30, 2021*

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

During the 12 months to 30 June 20xx we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs	
						2020-2021	2019-2020
			KShs	KShs	KShs	KShs	KShs
<b>Grants Received from Bilateral Donors (Foreign Governments)</b>			-	-	-	-	-
Insert name of foreign Government			-	-	-	-	-
<b>Grants Received from Multilateral Donors (International Organisations)</b>			-	-	-	-	-
Insert name of international organization			-	-	-	-	-
<b>Grants Received from Local Individuals and organisations</b>			-	-	-	-	-
Insert name of individual or local organization			-	-	-	-	-
<b>Total</b>			-	-	-	-	-

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

**Rural Electrification In Five Regions Project**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**3. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS**

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

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in Kshs	
					FY 2020/21	FY 2019/20
			Kshs	Kshs	Kshs	Kshs
Loans Received from Multilateral Donors (International Organisations)						
BADEA					48,267,041	78,083,250
OFID					159,911,355	3,436,472
ABUDHABI					400,612,665	169,795,624
SAUDI					29,439,294	-
<b>Total</b>					<b>638,230,355</b>	<b>251,315,347</b>

*Rural Electrification In Five Regions Project  
 Reports and Financial Statements  
 For the financial year ended June 30, 2021*

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4. MISCELLANEOUS RECEIPTS**

	2020/21			2019/20	Cumulative to- date
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts		(from inception)
	KShs	KShs	KShs	KShs	KShs
Property income	-	-	-	-	-
Sales of goods and services	-	-	-	-	-
Administrative fees and charges	-	-	-	-	-
Fines, penalties and forfeitures	-	-	-	-	-
Voluntary transfers other than grants	-	-	-	-	-
Other receipts not classified elsewhere	-	-	-	-	-
	-	-	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**5. COMPENSATION OF EMPLOYEES**

	2020/21			2019/20	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Basic salaries of permanent employees	-	-	-	-	-
Basic wages of temporary employees	-	-	-	-	-
Personal allowances paid as part of salary	-	-	-	-	-
Personal allowances paid as reimbursements	-	-	-	-	-
Personal allowances provided in kind	-	-	-	-	-
Pension and other social security contributions	-	-	-	-	-
Compulsory national social security schemes	-	-	-	-	-
Compulsory national health insurance schemes	-	-	-	-	-
Social benefit schemes outside government	-	-	-	-	-
Other personnel payments	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6. PURCHASE OF GOODS AND SERVICES**

	2020/21			2019/20	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Utilities, supplies and services	-	-	-	-	-
Communication, supplies and services	-	-	-	-	-
Domestic travel and subsistence	-	-	-	-	-
Foreign travel and subsistence	-	-	-	-	-
Printing, advertising and – information supplies & services	-	-	-	-	-
Rentals of produced assets	-	-	-	-	-
Training payments	-	-	-	-	-
Hospitality supplies and services	-	-	-	-	-
Insurance costs	-	-	-	-	-
Specialised materials and services	-	-	-	-	-
Other operating payments	-	-	-	-	-
Routine maintenance- – other assets	-	-	-	-	-
Exchange rate losses/gains (net)	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7. SOCIAL SECURITY BENEFITS**

	2020/21		2019/20		Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
Government pension and retirement benefits	-	-	-	-	-
Social security benefits in cash and in kind	-	-	-	-	-
Employer social benefits in cash and in kind	-	-	-	-	-
<b>Total</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8. ACQUISITION OF NON-FINANCIAL ASSETS**

	2020/21			2019/20	Cumulative to date
	Payments made by the Entity	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Works	23,040,215	8,569,354	31,609,569		123,246,459
Goods	103,009,763	629,661,001	732,670,764	252,497,718	1,732,745,524
Consultancy /Training	-	-	-	-	-
	<b>126,049,978</b>	<b>638,230,355</b>	<b>764,280,333</b>	<b>252,497,718</b>	<b>1,855,991,983</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9. TRANSFERS TO OTHER GOVERNMENT ENTITIES**

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

	2020/21			2019/20	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
<b>Transfers to National Government entities</b>					
Ministry	-	-	-	-	-
Project	-	-	-	-	-
	=	=	=	=	=
<b>Transfers to County Governments</b>					
County	-	-	-	-	-
County	-	-	-	-	-
	=	=	=	=	=
<b>TOTAL</b>	=	=	=	=	=

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

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**10. OTHER GRANTS AND TRANSFERS AND PAYMENTS**

	<b>2020/21</b>	<b>2019/20</b>	<b>Cumulative to date</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Bank Charges	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11. CASH AND CASH EQUIVALENTS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts (Note 11A)	-	-
Cash in hand (Note 11B)	-	-
Cash equivalents (short-term deposits) (Note 11C)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The project does not operate a bank account.

**11. A Bank Accounts**

**Project Bank Accounts**

The project does not operate a bank account.

**Special Deposit Accounts**

The project did not operate a special deposit account as at 30<sup>th</sup> June 2021.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11 B Cash In Hand**

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

[Provide a cash count certificate for each location above]

**11 C Cash equivalents (short-term deposits)**

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

**12. ACCOUNTS RECEIVABLES**

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

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**12B: BREAKDOWN OF IMPRESTS AND ADVANCES**

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Due Date of Surrender</i>	<i>Amount Surrendered</i>	<i>Balance 2021</i>	<i>Balance 2020</i>
<i>Officer 1</i>	-	-	-	-	-
<i>Xx institution</i>	-	-	-	-	-
<i>Officer 2</i>	-	-	-	-	-
<i>Officer 3</i>	-	-	-	-	-
<i>Officer 4</i>	-	-	-	-	-
<i>Officer 5</i>	-	-	-	-	-
<i>Programme 1</i>	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**13. ACCOUNTS PAYABLES**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Retention	-	-
Deposits	-	-
<b>Total</b>	-	-

**14. FUND BALANCE BROUGHT FORWARD**

	<b>2020/21</b>	<b>2019/20</b>
	<b>KShs</b>	<b>KShs</b>
Bank accounts	-	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
<b>Total</b>	-	-

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**15. PRIOR YEAR ADJUSTMENT**

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

**16. CHANGES IN RECEIVABLE**

Description of the error	2020-2021	2019-2020
	KShs	KShs
Opening Receivables as at 1 <sup>st</sup> July 2021	-	-
Closing account receivables as at 30 <sup>th</sup> June 2021	-	-
Change in Receivables	-	-

**17. CHANGES IN ACCOUNTS PAYABLE**

Description of the error	2020-2021	2019-2020
	Kshs	Kshs
Deposit and Retentions as at 1 <sup>st</sup> July 2021	-	-
Closing accounts payables as at 30 <sup>th</sup> June 2021	-	-
Change in payables	-	-

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**12. OTHER IMPORTANT DISCLOSURES**

**1. PENDING ACCOUNTS PAYABLE (See Annex 3A)**

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	-	-	-	-
Construction of civil works	-	-	-	-
Supply of goods	-	-	-	-
Supply of services	5,733,369	-	5,733,369	-
<b>Total</b>	<b>5,733,369</b>	<b>-</b>	<b>5,733,369</b>	<b>-</b>

**2. PENDING STAFF PAYABLES (See Annex 3B)**

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Unionisable employees	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**OTHER IMPORTANT DISCLOSURES (Continued)**

**3. OTHER PENDING PAYABLES (See Annex 3C)**

	Balance b/fFY 2020/2021	Additions for the period	Paid during the year	Balance c/fFY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
<b>Total</b>	-	-	-	-

**4. EXTERNAL ASSISTANCE**

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
External assistance received as grants	-	-
External assistance received as loans	638,230,355	251,315,347
External assistance received in kind- as payment by third parties	-	-
<b>Total</b>	<b>638,230,355</b>	<b>251,315,347</b>

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**OTHER IMPORTANT DISCLOSURES (Continued)**

*a). External assistance relating loans and grants*

	<b>FY 2020/2021</b>	<b>FY 2019/2020</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received as loans	638,230,355	251,315,347
External assistance received as grants		
<b>Total</b>	<b>638,230,355</b>	<b>252,315,347</b>

*b) Undrawn external assistance*

	<b>Purpose for which the undrawn external assistance may be used</b>	<b>FY 2020/2021</b>	<b>FY 2019/2020</b>
<b>Description</b>		<b>Kshs</b>	<b>Kshs</b>
Undrawn external assistance - loans	Construction	3,242,029,693	3,880,260,048
Undrawn external assistance - grants	-	-	-
<b>Total</b>		<b>3,242,029,693</b>	<b>3,880,260,048</b>

*C) classes of providers of external assistance*

	<b>FY 2020/2021</b>	<b>FY 2019/2020</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	638,230,355	251,315,347
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	<b>638,230,355</b>	<b>251,315,347</b>

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**OTHER IMPORTANT DISCLOSURES (Continued)**

*d. non-monetary external assistance*

	<b>FY 2020/2021</b>	<b>FY 2019/2020</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Goods	-	-
Services	-	-
<b>Total</b>	-	-

*e Purpose and use of external assistance*

<b>Payments Made by Third Parties</b>	<b>FY 2020/2021</b>	<b>FY 2019/2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of Employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to Other Government Units	-	-
Other grants and transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	638,230,355	251,315,347
Finance Costs, including Loan Interest	-	-
Repayment of principal on Domestic and Foreign borrowing	-	-
Other Payments	-	-
<b>TOTAL</b>	<b>638,230,355</b>	<b>251,315,347</b>

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**OTHER IMPORTANT DISCLOSURES (Continued)**

*f. External Assistance paid by Third Parties on behalf of the Entity by Source*

	<b>FY 2020/2021</b>	<b>FY 2019/2020</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
International assistance organization- BADEA,SAUDI,OFID,ABUDHABI	638,230,355	251,315,347
<b>Total</b>	<b>638,230,355</b>	<b>251,315,347</b>

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

Ref. No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
1	<p><b>Low absorption rate of project funds</b></p> <p>Note 1.7 on funding summary indicates that's the donor had made commitments amounting to Kshs.5, 856,180,000 (USD. 57,000,000). The actual amount received during the projects period totaled to kshs.1,091,661,248 (USD.10,625,474) leaving a balance of kshs.4,764,518,751 (USD.46,374,525) undrawn. However with the project closing on 31<sup>st</sup> Dec 2020, the credit may lapse without being fully utilized and the projects planned deliverables earmarked for completion using the funding may not be realized.</p>	<p>The contractor's commenced manufacturing of materials, and as required by procurement procedures these materials must be subjected to Factory Acceptance Tests which previously required physical presence in the country of manufacture, but Covid-19 Pandemic that came with travel restrictions affected such inspections and delivery of materials. A decision was made by the Corporation to conduct online inspections. Further, upon delivery of materials, installation works was also affected due to restrictions of movement in the country thus affecting several sites which works was supposed to commence. At the moment 4(Four) contractors are on site and installation works is ongoing and is at 24% while material delivery is at 53%.</p>	Project Manager Edward Gakunju	Resolved	31.12.21

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2	<p><b>Budgetary control and performance</b></p> <p>The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of kshs. 1,668,000,000 and Kshs.252,497,718 respectively resulting to an underfunding of kshs.1, 414,502,282 of 85% of the budget. The project expenditure was limited to the amount realized. Although management has attributed the low performance to technicalities in opening of the letters of credit, the underfunding and the under expenditure affected the planned activities impacting negatively on service delivery to the public.</p>	<p>As observed the project had In-sufficient budget allocation in 2019/2020 FY. As mentioned earlier the Corporations budget under the project was not enough to accommodate the letters of credits that were issued. The corporation wrote to treasury through the Ministry of Energy, requesting for authority to incur expenditure. The budget of Kshs 1,668,000,000 was availed in February 2020 through supplementary 2 after which the Letters of Credit of Kshs 1,400,000,000 were processed. The financial statements for projects are prepared on cash basis and the amounts processed of Kshs 1,400,000 which was 84% of the total budget could not be reported as received.</p> <p>The contractor's commenced manufacturing of materials, and as required by procurement procedures these materials must be subjected to Factory Acceptance Tests which previously required physical presence in the country of manufacture, but Covid-19 Pandemic that came with travel restrictions affected such inspections and delivery of materials. A decision was made by the Corporation to conduct online inspections. Further, upon delivery of materials, installation works was also affected due to restrictions of movement in the country thus affecting several sites which works was supposed to commence. At the moment 4(Four) contractors are on site and installation works is ongoing and is at 24% while material delivery is at 53%.</p>	
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Chief Executive Officer  
CPA Peter Mbugua



Project Manager  
Edward Gakunju

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**14. ANNEXES**

**ANNEX1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

	Final Budget	Actual on Comparable Basis	Budget Utilisation Variance	% of Utilisation Variance to Final Budget	Comments on Variance
	a	b	c=a-b	d=c/a %	
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
<b>RECEIPTS DURING THE YEAR/PERIOD</b>					
Government of Kenya	126,049,978	126,049,977.65	-	0.00	Amounts budgeted under electrification of public facilities
External financing	2,078,000,000	638,230,355	1,439,769,645	69	Technicalities in opening of Letters of Credit
In-kind donations					
Miscellaneous receipts					
<b>Total receipts</b>	<b>2,204,049,978</b>	<b>764,280,333</b>	<b>1,439,769,645</b>		
<b>PAYMENTS DURING THE YEAR/PERIOD</b>					
Compensation of employees					
Social security benefits					
Acquisition of non-financial assets	2,204,049,978	764,280,333	1,439,769,645	65	Technicalities in opening of Letters of Credit
Other Payments		-	-	0	
Advances to government employees					
<b>Total payments</b>	<b>2,204,049,978</b>	<b>764,280,333</b>	<b>1,439,769,645</b>		

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**ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS**

<b>PROJECT NAME:</b>	
<b>Break down of Transfers from the State Department of XXX</b>	
<b>a. Government Counterpart Funding</b>	
	<u>Bank Statement Date</u>
	<u>Amount (KShs)</u>
	-
	<b>Total</b>
	-
<b>b. Direct Payments</b>	
	<u>Bank Statement Date</u>
	<u>Amount (KShs)</u>
	-
	<b>Total</b>
	-
<b>c. Others</b>	
	<u>Bank Statement Date</u>
	<u>Amount (KShs)</u>
	-
	<b>Total</b>
	-
	<b>TOTAL(a+b+c)</b>
	-

The above amounts have been communicated to and reconciled with the parent Ministry/ state department

Project Manager  
REREC

Head of Accounting Unit  
Ministry Of Energy

Sign -----

Sign-----

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**ANNEX 3A - ANALYSIS OF PENDING BILLS**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To- Date	Outstanding Contract Balance 2021	Pending invoices as at 30.06.2021	Outstanding Bills 2021	Outstanding Bills		Comments
							2021	2020	
	a	b	c	d=a-c	e				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs			
<b>Supply of Goods</b>									
Wayne Homes	295,287,451	01.07.2016	22,242,180	273,045,271	-	-			
Fountain Technologies	612,322,833	01.07.2016	163,879,137	448,443,696		-	5,733,369		Invoice submitted in wrong currency, now re-submitted
<b>Sub-total</b>	<b>907,610,284</b>		<b>186,121,317</b>	<b>721,488,967</b>	-	-	-		
<b>Works</b>									
Wayne Homes	82,085,951	01.07.2016	8,208,454	73,877,497	-	-			
<b>Sub-total</b>	<b>82,085,951</b>		<b>8,208,454</b>	<b>73,877,497</b>	-	-	-		
<b>Grand-Total</b>	<b>989,696,235</b>		<b>194,329,771</b>	<b>795,366,464</b>	-	-	-		

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**ANNEX 3B - ANALYSIS OF PENDING STAFF BILLS**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
<b>Permanent Employees - Management</b>							
1.							
2.							
<b>Sub-Total</b>							
<b>Permanent Employees - Others</b>							
3.							
4.							
<b>Sub-Total</b>							
<b>Temporary employees</b>							
5.							
6.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
7.							
8.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

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**ANNEX 3C - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Description	Original Amount	Date Contracted	Paya Amount Paid To-Date	Outstanding Balance 20xx	Outstanding Balance 20xx	Comments
<b>Amounts due to National Govt Entities</b>							
1.							
2.							
<b>Sub-Total</b>							
<b>Amounts due to County Govt Entities</b>							
3.							
4.							
<b>Sub-Total</b>							
<b>Amounts due to Third Parties</b>							
5.							
6.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
7.							
8.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

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**ANNEX 4 – SUMMARY OF FIXED ASSETS REGISTER**

Asset class	Opening Cost (KShs) 2020/21	Donations in form of assets (KShs) 2020/21	*Purchases/ Additions in the Year (KShs) 2020/21	** Disposals in the Year (KShs) 2020/21	Transfers in/(out) Kshs 2020/21	Closing Cost (KShs) 2021
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)-(d)+(-)d
Land						
Buildings and structures						
Transport equipment						
Office equipment, furniture and fittings						
ICT Equipment,						
Other Machinery and Equipment						
Heritage and cultural assets						
Biological assets						
Infrastructure assets roads, rails						
Intangible assets						
Work in Progress						
<b>Total</b>						

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**ANNEX 5 – CONTINGENT LIABILITIES REGISTER**

	<b>Nature of contingent liability</b>	<b>Payable to</b>	<b>Estimated Amount Kshs</b>	<b>Expected date of payment</b>	<b>Remarks</b>
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

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