

REPUBLIC OF KENYA



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THE AUDITOR-GENERAL

ON

**MOMBASA – NAIROBI – ADDIS ABABA ROAD
CORRIDOR DEVELOPMENT PROJECT:
(ISIOLO/MERILLE/MOYALE ROAD)**

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

**KENYA NATIONAL HIGHWAYS
AUTHORITY**



MINISTRY OF ROADS AND TRANSPORT



Kenya National Highways Authority

Quality Highways, Better Connections

**PROJECT NAME: MOMBASA –NAIROBI-ADDIS ABABA ROAD CORRIDOR
DEVELOPMENT PROJECT: (ISIOLO/MERILLE/MOYALE ROAD)**

IMPLEMENTING ENTITY: KENYA NATIONAL HIGHWAYS AUTHORITY

LOAN No: – 2100150008850

GRANT No: – 2100155004016

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

1. Acronyms and Definition of Terms

AfDB	African Development Bank
ADF	African Development Fund
CBK	Central Bank of Kenya
CPA	Certified Public Accountant
ICPAK	Institute of Certified Public Accountants of Kenya
EXIM	Export – Import
FY	Financial Year.
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
KeNHA	Kenya National Highways Authority
Kshs.	Kenya Shillings
KMS	Kilometers
MRT	Ministry of Roads and Transport
NEMA	National Environment Management Authority
NT	National Treasury
PAPs	Project Affected Persons
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
RMB	Renminbi
SDG	Sustainable Development Goals
UA	Unit of Account

2. Project Information and Overall Performance

2.1 Name and registered office

Project Name	Mombasa –Nairobi-Addis Ababa Road Corridor Development Project (Isiolo/Merille/Moyale Road)
Project Objectives	(i) Improve land transport communications between Kenya and Ethiopia and contribute to enhanced trade and regional economic integration (ii) Provide landlocked Ethiopia with an alternative outlet to the sea through the port of Mombasa, and (iii) Open up Kenya’s Northern Region (Arid Semi-Arid Lands of Kenya (ASAL) and integrate it with the rest of Kenya.
Project Registered Office and Physical Location:	Barabara Plaza Jomo Kenyatta International Airport (JKIA) Off Mazao Road Nairobi, Kenya
Project Address	P.O. Box 49712-00100 Nairobi
Contacts:	Telephone: +254-20-8013842 Email dg@kenha.co.ke ; Website www.kenha.co.ke

2.2 Project Information

Project Start Date:	4 th February, 2005
Project End Date:	31 st December, 2010
Project Coordinators:	Eng. H. Gakuru –Director Development
	Eng. C. Makau – Deputy Director
Project Sponsor:	African Development Bank and the Government of Kenya

2.3 Project Overview

Line Ministry/State Department of the project	The project was under the supervision of the State Department of Roads under the Ministry of Roads and Transport (MRT).
Project number	P-Z1-DB0-018

Project Information and Overall Performance (continued)

Other important background information of the project	<p>This report briefly provides information on the physical progress of the project which was being implemented in two stages, from Isiolo to Merille River of approximately 136 Kms whose activities included construction works, upgrading the existing gravel road to a bitumen paved road and construction of roadside socio-economic infrastructure and services. Merille river to Moyale Road Project whose activities involved detailed designs as was carried out by a consultant. The road is approximately 366.4 kms (measured by GPS automatic tracking system). The consultant however proposed to divide the road into three contract sections for the purpose of preparation for international competitive Bidding.</p> <p>The sections were as follows: - Contract No.1-Merille River to Marsabit - Length 122 kms Contract No.2-Marsabit to Turbi - Length 121 kms Contract No.3-Turbi to Moyale - Length 123.4 kms</p> <p>The project was financed by both Government of Kenya at a rate of 38% plus taxes and 62% excluding taxes by Development partners.</p>
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PROJECT COMPONENTS AND COSTS - LOAN

Size of the loan - Isiolo-Merille River Works UA 33.60 Million

Size of the loan - Isiolo-Merille River Design UA 1.20 Million

The project comprised of the following components:-

- (i) Construction works for upgrading the existing gravel road to a bitumen paved road with 7.0 - m carriage and 1.5 - m shoulder on each side for a total length of 136 km between Isiolo and Merille River in Northern Kenya at a cost of 19.58 million UA in foreign exchange and 3.77 million UA in local cost thus a total of 23.35 million UA;
- (ii) Construction of roadside socio-economic infrastructure and services at a cost of 1.79 million UA in foreign exchange and 0.34 million UA in local cost thus a total of 2.13 million UA;
- (iii) Consulting Services for design review, tender assistance and supervision of the civil works at a cost of 1.46 million UA in foreign exchange and 0.21 million UA in local thus a total of 1.67 million UA;
- (iv) Audit Services at a cost of 0.08 million UA in foreign exchange and 0.02 million UA in local cost thus a total of 0.10 million UA;
- (v) Total Base Cost is 22.91 million UA in foreign exchange and 4.34 million AU in local currency thus a total of 27.26 million UA;
- (vi) Physical contingency is at a cost of 2.29 million UA at foreign exchange and 0.43 million UA at a local cost thus a total of 2.73 million UA;
- (vii) Price contingency is at 2.48 million AU in foreign exchange and 1.114 million UA at a local cost thus a total of 3.62 million UA;
- (viii) Total Project Cost is at a 27.68 million UA in foreign exchange and 5.92 million UA in local cost thus a total of 33.60 million UA.

Project Information and Overall Performance (continued)

2.4 Bankers

Co-operative Bank Limited
Upperhill Branch, Nairobi
Account Number: '01141160979900

2.5 Independent Auditor

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

2.6 Roles and Responsibilities

	Names	Title Designation	Key qualification	Responsibilities
1.	Eng. H. Gakuru	Director Development	Registered Engineer	Project Implementation Team Leader
2.	Eng. C. Makau	Deputy Director	Registered Engineer	Project activities Co-ordinator
3.	Mr. Philip Wachira	Chief Financial Officer	Certified Public Accountant	Finance and Accounting specialist
4.	Mr. Chanje Kera	Deputy Director Finance & Accounts	Certified Public Accountant	Project Financial Specialist
5.	Eng. A.K. Mwaniki	Engineer	Registered Engineer	Design Engineer
6.	Mr. W. Nyatwanga	Deputy Director Environment & Social Safeguards	NEMA Lead Expert & Registered Environmental Specialist	Coordinate Project Social and Environmental safeguards activities
7.	Eng. J.Cherogony	Senior Engineer	Registered Engineer	Contracts Engineer

2.7 Funding summary

The project financing was for a duration of Six years from 4th February, 2005 to 31st December, 2010 with an approved budget of UA 28.44 Million equivalent to Kshs. 3,867,948,236 for development partner and Kshs 2,700,659,150 for counterpart funding as highlighted in the table below:

Project Information and Overall Performance (continued)

A. Sources of funds

Source of funds	Donor Commitment		Amount received to date – (30.06.2024)		Undrawn balance to date (30.06.2024)	
	Donor Currency	Kshs	Donor Currency	Kshs	Donor Currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
	UA	Kshs	UA	Kshs	UA	Kshs
(i) Grant						
ADF Grant	850,905	115,692,916	850,905	115,692,916	-	-
(ii) Loan						
African Development Bank	27,597,320	3,752,255,320	27,597,320	3,752,255,320	-	-
(iii) Counterpart funds						
Government of Kenya	-	2,701,207,368	-	2,701,207,368	-	-
Total	28,448,226	6,569,155,604	28,448,226	6,569,155,604	-	-

B. Application of funds

Application of funds	Amount received to date – (30 th June 2024)		Cumulative Amount paid to date – (30 th June 2024)		Unutilised balance to date (30 th June 2024)	
	Donor Currency	Kshs	Donor Currency	Kshs	Donor Currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
	UA	Kshs	UA	Kshs	UA	Kshs
(i) Grant						
ADF Grant	850,905	115,692,916	850,905	115,692,916	-	-
(ii) Loan						
African Development Bank (AfDB)	27,597,320	3,752,255,320	27,597,320	3,752,255,320	-	-
(i) Counterpart funds						
Government of Kenya	-	2,701,207,368	-	2,682,524,718	-	18,682,650
Total	28,448,225	6,569,155,604	28,448,225	6,550,472,954	-	18,682,650

Project Information and Overall Performance (continued)

2.8 Summary of Overall Project Performance:

i) Budget performance against actual amounts for current year :-

	2023/2024		
	Actual	Budget	%
Counterpart Funds - Gok	-	-	0%
TOTAL	-	-	0%

ii) Physical progress based on outputs, outcome and impacts since project commencement.

The Project was completed and handed over to the employer

Comment on value-for-money achievements.

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

iii) Implementation challenges and mitigation measures taken to alleviate challenges

Item No.	Implementation Challenges	Mitigation Measures taken to resolve observed challenges
1	Problems with space availability in the road reserve	KeNHA surveyors were incorporated to undertake survey works to facilitate the commencement of compulsory land acquisition to provide the right of way.
2	Delay in receipt of funds by the GoK.	Budget provisions were made in subsequent financial years that facilitated settlement of Project pending bills.

2.9 Summary of Project Compliance:

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

3. Statement of Performance against Project’s Predetermined Objectives

Introduction

Section 81(2)(f) of the Public Finance Management Act, 2012, requires that the Accounting Officer include a statement of Mombasa-Nairobi-Addis Ababa Road Corridor Development Project:(Isiolo/Merille/Moyale Road) performance against predetermined objectives at the end of each financial year. The key development objectives of the project’s agreement/plan were to:

- a) Improve road transport services along the Great North Trans-African Highway (Cape Town to Cairo) and is part of the East Africa Community Regional Trunk Road Network by reducing traffic congestion.
- b) Contribute to the development of a sustainable urban public transit system for the project corridor
- c) Promote private sector participation in the management, operation, and financing of road infrastructure in Kenya

Progress on attainment of strategic development objectives

Implemented and cascaded 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 to track progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Isiolo - Merille	To improve transport communications between Kenya and Ethiopia for the benefit of both countries and the region.	Transport and logistics costs are reduced; transit and travel times are reduced	Transport and shipping costs Transit time for imports and exports	Average travel time from Mombasa to Addis has been reduced
	To contribute to the development of a sustainable urban public transit system for the project corridor	Port of Mombasa becomes a cost-effective alternative for Ethiopia’s import/export shipping.	Volume of transit goods to/from Ethiopia using the port of Mombasa	Increased volume of transit goods to/from Ethiopia
	To promote private sector participation in the management, operation, and financing of road infrastructure in Kenya	Technical and Operational Capacity of Kenya Road Agencies are strengthened	Performance of Roads Agencies	The corridor is already under Performance based maintenance contracts.
		Improved economic and social welfare of towns along the corridor	Average household income	Improved average household income across the corridor.

4. Environmental and Sustainability Reporting

Mombasa-Nairobi-Addis Ababa Road Corridor Development Project:(Isiolo/Merille/Moyale Road) had a main focus of improving transportation infrastructure to enhance connectivity and efficiency. In terms of environmental and sustainability reporting, the strategy involved rigorous assessment and mitigation of environmental impacts throughout the project lifecycle. Below is a brief highlight of the activities that drove towards sustainability.

i. 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 were addressed through the following initiatives;

- a) Good health and well-being (SDG 3): The Authority strove to undertake Road Safety Audits to identify accident black spots, implemented intervention measures and provided road safety education to reduce accidents;
- b) Gender Equality (SDG 5): The Authority encouraged 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 developed 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 endeavoured to extend the paved road network to hitherto underserved areas in the region to improve nationwide access to high speed and all – weather connectivity; and
- e) Climate action (SDG 13): The Authority endeavoured to combat negative impacts of road development through environmental mitigation, climate change measures and compliance with National Environment Management Authority (NEMA) requirements in all development projects

ii. Environmental performance

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

Environmental and Sustainability Reporting (Continued)

iii. Employee welfare

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

iv. Marketplace practices

a) Responsible Supply chain and supplier relations

The Authority strived to ensure responsible competition practices through undertaking annual governance audits in projects, monitored the implementation of policies and further promoted ethical conduct in projects.

b) Responsible ethical practices

The Authority equally sensitized staff on corruption and integrity.

c) Regulatory impact assessment

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

v. Community Engagements

During the implementation of the Project, the Authority was committed to remaining a responsible corporate citizen by being accountable for its actions through engaging in Public Participation. The Project's goal in terms of community engagement was to ensure that the projects fostered long-term relationships with stakeholders and communities around the project. The aim was 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 Contractor has been involved in various CSR activities geared towards providing the local residents water access through construction of water kiosks along the project road, improvement of access roads and enhancing learning and playing environment in schools along the project road. To enhance social safeguards in projects, the Authority undertook Resettlement Action Plan (RAP) studies and implemented its recommendations, carried out Social Impact Assessments (SIA), undertook gender mainstreaming and conducted stakeholders' forum to sensitize the public in several cross-cutting issues.

5. Statement of Project Management responsibilities

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

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

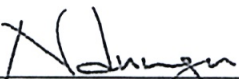
The Director General, KeNHA and the Project Implementation Team Leader accept responsibility for the project's financial Statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with the International Public Sector Accounting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

The Director General, KeNHA and the Project Implementation Team Leader are of the opinion that the Project financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June, 30, 2024 and the Project's financial position as at that date. The Director General, KeNHA and the Project 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 and 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 are used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the Director General, KeNHA and the Project Implementation Team Leader on 17 SEP 2024 and signed by:



Eng. Kungu Ndungu, MBS
Director General



Eng. Henry Gakuru
Director Development



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

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NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON MOMBASA – NAIROBI – ADDIS ABABA ROAD CORRIDOR DEVELOPMENT PROJECT: (ISIOLO/MERILLE/MOYALE ROAD) LOAN AGREEMENT NO.210015008850 AND GRANT NO.2100155004016 FOR THE YEAR ENDED 30 JUNE, 2024 – KENYA NATIONAL HIGHWAYS AUTHORITY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Mombasa-Nairobi-Addis Ababa Road Corridor Development (Isiolo/Merille/Moyale Road) Project set out on pages 1 to 15, which comprise the statement of financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of

Report of the Auditor-General on Mombasa – Nairobi – Addis Ababa Road Corridor Development Project: Isiolo/Merille/Moyale Road) Loan Agreement No.210015008850 and Grant No.2100155004016 for the year ended 30 June, 2024 – Kenya National Highways Authority

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Mombasa-Nairobi-Addis Ababa Road Corridor Development (Isiolo/Merille/Moyale Road) Project as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Loan and Grant Agreement No.210015008850 and No.2100155004016, respectively dated 4 February, 2005 between the Republic of Kenya the African Development Fund.

In addition, the special account statement presents fairly, the special account transactions and the ending balance has been reconciled with the books of account.

Basis for Opinion

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

Emphasis of Matter

Lack of Project Closure Report

Paragraph 2.2 on Project Information in the financial statements indicates that the Project start date was 4 February, 2005 and Project end date was 31 December, 2010.

Further, Paragraph 2.7 on Funding Summary indicates that the Project had an approved budget of UA 28,440,000 equivalent to Kshs.3,867,948,236 was to be financed by the African Development Fund (Donor) while an amount of Kshs.2,700,659,150 was to be financed by as counterpart fundings by the Government of Kenya (GoK).

In addition, Paragraph 2.8(ii) on Summary of Overall Project Performance on physical progress based on outputs, outcomes and impacts showed that as at 30 June, 2024, the Project was completed and taken over by the employer. However, the Project closure report was not provided for audit and Management did not provide an explanation for the failure to close the Project. The statement of assets and liabilities and the statement on application of funds reflects cash and cash equivalents or unutilized balance of Kshs.18,682,650 which is idle.

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

Other Information

Conclusion

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

Basis for Conclusion

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, 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 the ISSAIs 3000 and 4000. The Standards 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with the ISSAIs 2315 and 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

As required by the African Development Fund, 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 International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also 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

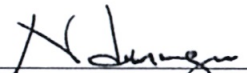
Nairobi

13 November, 2024


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

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total Payments	Receipts and payment controlled by the entity	Payments made by third parties	Total Payments	Cumulative to-date (From inception)
		2023/2024			2022/2023			
		<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>
Receipts								
Transfer from Government entities	1	-	-	-	-	-	-	2,700,659,150
Proceeds from domestic and foreign grants	2	-	-	-	-	-	-	115,692,916
Loan from external development partners	3	-	-	-	-	-	-	3,752,255,320
Miscellaneous receipt	4	-	-	-	-	-	-	548,218
Total Receipts		-	-	-	-	-	-	6,569,155,604
Payments								
Purchase of goods and services	5	-	-	-	-	-	-	3,688,517
Acquisition of non-financial assets	6	-	-	-	-	-	-	6,546,784,437
Total Payments		-	-	-	-	-	-	6,550,472,954
Surplus/ (deficit)		-	-	-	-	-	-	18,682,650

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


Eng. Kungu Ndungu, MBS
Director General

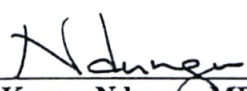

Eng. Henry Gakuru
Director Development

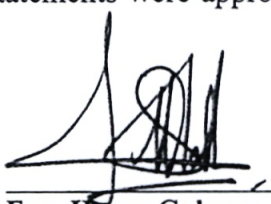

CPA Chanje Kera
Deputy Director (F&A)
ICPAK Member No. 8279


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

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents	7	18,682,650	18,682,650
Total Financial Assets (A)		18,682,650	18,682,650
Financial Liabilities			
Third party Deposits and Retention		-	-
Total Financial Liabilities (B)		-	-
Net Financial Assets (A-B)		18,682,650	18,682,650
Represented By			
Fund Balance B/fwd.	10	18,682,650	18,682,650
Prior Year adjustments		-	-
Surplus/(Deficit) for the Year		-	-
Net Financial Assets		18,682,650	18,682,650

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


Eng. Kungu Ndungu, MBS
Director General


Eng. Henry Gakuru
Director Development


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

9. Statement of Cash flows for the year ended 30th June 2024

Description	Note	2023/2024	2022/2023
Cashflow from operating activities		Kshs	Kshs
Receipts			
Transfer from government entities		-	-
Proceeds from domestic and foreign grants		-	-
Miscellaneous receipts		-	-
Payments			
Purchase of goods and services		-	-
Miscellaneous payments		-	-
Net cash flow from operating activities		-	-
Cashflow from investing activities			
Acquisition of non-financial assets		-	-
Net cash flows from investing activities		-	-
Cash flow from financing activities			
Proceeds from foreign borrowings		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash & cash equivalent at beginning of the year	7	18,682,650	18,682,650
Cash and cash equivalent at end of the year	7	18,682,650	18,682,650

10. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30th June 2024

Receipts / Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from Government entities	-	-	-	-	-	-
Total Receipts	-	-	-	-	-	-
Payments						
Purchase of goods and services	-	-	-	-	-	-
Acquisition of non-financial assets	-	-	-	-	-	-
Total Payments	-	-	-	-	-	-
Surplus or Deficit						

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

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

The financial statements are for the Mombasa –Nairobi-Addis Ababa Road Corridor Development Project: (Isiolo/Merille/Moyale Road) under Kenya National Highways Authority.

The financial statements are for Mombasa –Nairobi-Addis Ababa Road Corridor Development Project: (Isiolo/ Merille/Moyale Road) as required by Section 81/ of the PFM Act, 2012.

c) Reporting currency

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

d) Recognition of receipts

The Mombasa–Nairobi-Addis Ababa Road Corridor Development Project: (Isiolo /Merille /Moyale Road) recognizes all receipts from various sources when an event occurs, and the related cash is received.

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

Significant Accounting Policies (continued)

iv) Donations and grants

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

v) 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.

vi) Undrawn external assistance

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

e) Recognition of payments

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

i) Compensation to employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

Significant Accounting Policies (continued)

v) Acquisition of fixed assets

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

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

f) In-kind donations

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

g) Cash and cash equivalents

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

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

h) Restriction on cash

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

i) Imprests and Advances

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

Significant Accounting Policies (Continued)

j) Contingent Liabilities

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. There were no project contingent liabilities in the year.

k) Contingent Assets

The Mombasa–Nairobi-Addis Ababa Road Corridor Development Project: (Isiolo/ Merille/ Moyale Road) 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 Project in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Pending bills

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

m) Budget

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

Significant Accounting Policies (Continued)

n) Third-party payments

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

During the year Kshs Nil being loan disbursements were received in form of direct payments from third parties.

o) Exchange rate differences

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

p) Comparative figures

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

q) Subsequent events

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

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). There were no prior year adjustments during the year.

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	2023/2024	2022/2023	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
Counterpart funding through Ministry of Roads and Transport			
Counterpart funds Quarter 1	-	-	806,835,390
Counterpart funds Quarter 2	-	-	803,717,942
Counterpart funds Quarter 3	-	-	570,299,933
Counterpart funds Quarter 4	-	-	322,586,528
Total	-	-	2,503,439,793
Other transfers from government entities			
RMLF Fund	-	-	197,219,357
Total	-	-	2,700,659,150

2. Proceeds from Domestic and Foreign Grants

During the project duration, we received funding from development partners in form of grants negotiated by the National Treasury as detailed in the table below

Description	2023-2024						2022-2023	Cumulative to date
	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment	Grants received in kind	Total amount	Total amount	
		UA	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Grants Received from Multilateral Donors								
African Development Fund	-	-	-	-	-	-	-	115,692,916
Total	-	-	-	-	-	-	-	115,692,916

Notes to the Financial Statements (Continued)

3. Loan from External Development Partner

During the project duration, we received funding from development partners in form of loans negotiated by the National Treasury as detailed in the table below:

Description	2023-2024					2022-2023	Cumulative to date
	Development Partner	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment	Total amount in Kshs	
		UA	Kshs	Kshs	Kshs	Kshs	Kshs
African Development Bank	-	-	-	-	-	-	3,752,255,320
Total	-	-	-	-	-	-	3,752,255,320

4. Miscellaneous receipts

Description	2023-2024			2022/2023	Cumulative to- date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	Total receipts	
	Kshs	Kshs	Kshs	Kshs	Kshs
Interest income	-	-	-	-	548,218
Total					548,218

5. Purchase of Goods and Services

Description	2023/2024			2022/2023	Cumulative to- date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Domestic travel and subsistence	-	-	-	-	2,497,000
Advertising, and services	-	-	-	-	1,191,517
Total	-	-	-	-	3,688,517

Notes to the Financial Statements (Continued)

6. Acquisition of Non-Financial Assets

Description	2023-2024			2022-2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Construction of Roads	-	-	-	-	6,531,270,049
Acquisition of land	-	-	-	-	15,514,388
Total	-	-	-	-	6,546,784,437

7. Cash and Cash equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank accounts (Note 7A)	18,682,650	18,682,650
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Total	18,682,650	18,682,650

The Co-operative Bank Account -Exchequer Account is the Main KeNHA bank account where all GoK funds are transacted from.

7A Bank Accounts

Project Bank Accounts

Details	2023-2024	2022-2023
	Kshs	Kshs
<u>Local Currency Accounts</u>		
Co-operative Bank of Kenya [A/c No01141160979900]	18,682,650	18,682,650
Others (specify)	-	-
Total local currency balances	18,682,650	18,682,650
Total bank account balances	18,682,650	18,682,650

The Co-operative Bank Account -Exchequer Account is the Main KeNHA bank account where all GoK funds are transacted from. The account balance Ksh 18,682,650 relates to the balance for this project.

Notes to the Financial Statements (Continued)

8. Imprests and Advances

There was no outstanding imprests and advances for the project for the FY ended 30th June 2024

9. Deposits and Retention Monies

There was no outstanding deposits and retention monies payable for the FY ended 30th June 2024.

10. Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank accounts	18,682,650	18,682,650
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Total	18,682,650	18,682,650

11. Prior Year adjustment

There was no prior year adjustment during the year ended 30 June 2024.

12. Changes in Receivable

There were no receivables for the year ended 30 June 2024

13. Changes in Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Opening accounts payables as at 1 st July	-	-
Closing accounts payables as at 30 th June	-	-
Change in payables	-	-

Other Important Disclosures

Pending Accounts Payable

	Balance B/F 2023/24	Additions for the year	Paid for the year	Balance C/F FY 2023/24
	Kshs	Kshs	Kshs	
Construction of roads	-	-	-	-
	-	-	-	-
Total	-	-	-	-

13. Annexes

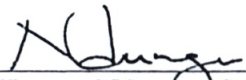
Annex 1: Prior Year Auditor-General’s Recommendations

Ref No	Issue / Observations from Auditor	Management comments	Status:	Time frame
1.	<p>Basis for Qualified Opinion</p> <p>Unsupported Cash and Cash Equivalent Balance</p> <p>As reported in the previous year, the statement of financial assets reflects cash and cash equivalents balance of Kshs.18,682,650.</p> <p>However, the balance was not supported with bank statements confirming transfer of the funds from Project bank account to the Kenya National Highways Authority (KeNHA) main account on 16 October, 2014 after completion of the project.</p> <p>In the circumstances, the accuracy, existence and completeness of the cash and cash equivalents balance of Kshs.18,682,650 could not be confirmed.</p>	<p>We disagree with the observation that the bank balance of Kshs. 18,682,650 is not fairly stated.</p> <p>Management submitted copies of the bank statement of October, 2014 which confirmed funds transfer from the project account at the State Department for Roads to the Authority’s Exchequer account at the Co-operative Bank of Kenya where the Authority transacts all its Exchequer related transaction. The Certificate of Bank Balance, the Bank Reconciliation and Cash Books were also availed.</p> <p>This amount has never been utilised and is part of the balance that make up the total amount at KeNHA Exchequer Co-operative Bank Account.</p>	Not Resolved	2024


*Mombasa –Nairobi-Addis Ababa Road Corridor Development Project:(Isiolo/Merille/Moyale Road)
Annual Report and Financial Statements For the financial year ended June 30, 2024*

Annexes (Continued)

Ref No	Issue / Observations from Auditor	Management comments	Status:	Time frame
2.	<p>Other Matter</p> <p>Project Closure Report</p> <p>The project information and overall performance for the year ended 30 June, 2005 indicates that the project was started on 4 February, 2005 and ended on 31 December, 2010. However, project closure report had not been prepared and submitted for audit review Thirteen (13) years after the closure period of the project.</p>	<p>We agree with the audit observation and confirm that the Project closure report is under design and the same will be submitted to the OAG upon completion.</p>	<p>Not Resolved</p>	<p>Ongoing</p>


 Eng. Kungu Ndungu, MBS
 Director General

Date 10 SEP 2024


 Eng. Henry Gakuru
 Director Development

Date 10 SEP 2024

*Mombasa –Nairobi-Addis Ababa Road Corridor Development Project:(Isiolo/Merille/Moyale Road)
Annual Report and Financial Statements For the financial year ended June 30, 2024*

Annexes (Continued)

Annex2: Variance explanations - Comparative Budget and Actual Amounts for Current FY

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	-	-	-	-	-
Proceeds from domestic and foreign grants	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-
Total Receipts	-	-	-	-	-
Payments					
Purchase of goods and services	-	-	-	-	-
Acquisition of non-financial assets	-	-	-	-	-
Total payments	-	-	-	-	-

* This project is completed and handed over to the Government of Kenya

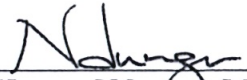
**Mombasa –Nairobi-Addis Ababa Road Corridor Development Project:(Isiolo/Merille/Moyale Road)
Annual Report and Financial Statements For the financial year ended June 30, 2024**

Annexes (continued)


Annex 3: Reconciliation of inter-entity transfers

Project Name: Mombasa –Nairobi-Addis Ababa Road Corridor Development Project:(Isiolo/Merille/Moyale Road)				
Break down of transfers from the State Department of Roads				
a.	Government Counterpart funding			
		Bank Statement Date	Amount (Kshs)	FY to which the amounts relate
		-	-	
		-	-	
	Total		-	

*This project is completed and there is no expectation of Counterpart funding from the Government.


 Eng. Kungu Ndungu, MBS
 Director General

Date 10 SEP 2024


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

Date 10 SEP 2024

*Mombasa –Nairobi-Addis Ababa Road Corridor Development Project:(Isiolo/Merille/Moyale Road)
Annual Report and Financial Statements For the financial year ended June 30, 2024*

Annexes (continued)

Annex 4: Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2023/2024	Donations in form of assets (KShs) 2023/2024	Purchases/ Additions in the Year (KShs)	Disposals in the Year (KShs)	Transfers in/(out) (KShs) 2023/2024	Closing Cost (KShs) 2023/2024
	(a)	(b)	(c)	(d)	(e)	(f)= (a)+ (b)-(c)
Road Assets	6,531,270,049	-	-	-	-	6,531,270,049
Land	15,514,388	-	-	-	-	15,514,388
Total	6,546,784,437	-	-	-	-	6,546,784,437