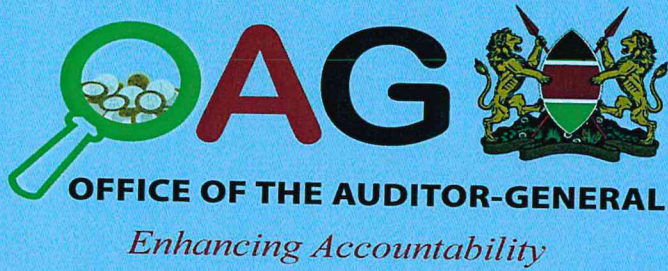


REPUBLIC OF KENYA



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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**EASTERN AFRICA REGIONAL TRANSPORT,  
TRADE AND DEVELOPMENT FACILITATION  
PROJECT CR NO. 5638-KE IDA**

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

**STATE DEPARTMENT FOR  
INFRASTRUCTURE**





OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
MACHAKOS HUB.

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**EASTERN AFRICA REGIONAL TRANSPORT, TRADE AND DEVELOPMENT  
FACILITATION PROJECT**

**STATE DEPARTMENT OF INFRASTRUCTURE**

**PROJECT GRANT/CREDIT NUMBER: 5638-KE**

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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)**







***Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)  
Reports and Financial Statements  
For the financial year ended June 30, 2021***

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**1. PROJECT INFORMATION AND OVERALL PERFORMANCE**

**1.1 Name and registered office**

**Name**

The project's official name is Eastern Africa Regional Trade and development Facilitation Project.

**Objective:**

The key objective of the project is to strengthen institutional capacities in all implementing entities and complementary institutions involved within the project.

**Address:**

The project headquarters offices are Transcom Building (Nairobi), Nairobi County, Kenya.

The address of its registered office is:

State Department of Infrastructure

P.O. Box 30260-00100

Nairobi.

**Contacts:** The following are the project contacts

Telephone: (254)020 2723232

E-mail: [ps@infrastrure.go.ke](mailto:ps@infrastrure.go.ke)

Website: [www.transport.go.ke](http://www.transport.go.ke)



**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)**  
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**PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.2 Project Information**

Project Start Date:	The project start date is 12th June 2015
Project End Date:	The project end date is 31 <sup>st</sup> December,2021
Project Manager:	The project manager is Eng.J. M. Kungu
Project Sponsor:	The project sponsor is World Bank(IDA)

**1.3 Project Overview**

Line Ministry/State Department of the project	The project is under the supervision of the State Department of Infrastructure.
Project number	5638-KE
Strategic goals of the project	The strategic goals of the project are as follows: (i) Improve the movement of goods and people along the Lokichar Nadapal/Nakodok part of the Eldoret-Nadapal road in the North Western part of Kenya, in particular and to enhance connectivity between Kenya and South Sudan in general.
Other important background information of the project	To facilitate Regional Transport, Trade and Development through harmonization of customs and other management, risk management and control procedures.
Current situation that the project was formed to intervene	The project was formed to support activities designed to strengthen the institutional capacities of implementing entities involved in project implementation and to support monitoring and evaluation of road projects
Project duration	The project started on 12 <sup>th</sup> June, 2015 and is expected to run until 31 <sup>st</sup> Dec2021

**1.4 Bankers**

The following are the bankers for the current year:

- (i) Project Account  
 Central Bank of Kenya  
 Haile Selassie Avenue  
 P.O.Box 60000-0200  
 Nairobi, Kenya



**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)**  
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**1.5 Auditors**

The project is audited by:  
 The Office of the Auditor General  
 Anniversary Towers. University Way  
 P.O.Box 30084-00100  
 Nairobi, Kenya

**1.6 Roles and Responsibilities**

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

<b>Names</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>
Eng. J.M. Kungu	Project Team Leader	Msc. (Civil Engineering)	Proper Management of the implementation
Eng. James W. Theuri	Deputy Team Leader	Msc. (Civil Engineering)	Technical Coordination and management of entities on project
Judith Kerich	Assistant Team Leader	MBA(Strategic Management)	Administration and Financial Coordination
Elizabeth Adhiambo	Project Accountant	BBA(Accounting and Finance, CPA-K	Proper funds flow and timely financial reports

**1.7 Funding summary**

The Project is for duration of six years from 2015 to 2021 with an approved budget of US\$ 10.5M (use donor currency) equivalent to KShs 1,096,382,930 as highlighted in the table below:



Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)  
 Reports and Financial Statements  
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**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	
	Donor currency	KShs	Donor currency KShs	KShs	Donor currency	KShs
	(A)	(A')	(B)	(B')	(A)- (B)	(A)- (B)
<b>(i) Loan</b>	85.25					
World Bank(IDA)	10,500,000	1,096,382,930	6,820,221	715,630,121	3,679,779	380,752,809
<b>Total</b>	<b>10,500,000</b>	<b>1,096,382,930</b>	<b>6,820,220</b>	<b>715,630,121</b>	<b>3,679,779</b>	<b>380,752,809</b>

*The amounts received to date should tie/agree to what is captured in the Statement of Receipts and Payments as applicable.*

**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)**  
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**PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**B. Application of Funds**

Application of funds	Amount received to date – (30 <sup>th</sup> June 2021)		Cumulative Amount paid to date – (30 <sup>th</sup> June 2021)	Unutilised balance to date (30 June 2021)	
	<i>Donor currency</i>	<i>Kshs</i>		<i>Donor currency</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>		<i>(B')</i>	<i>(A)-(B)</i>
<b>(i) Loan</b>					
World Bank(IDA)	6,820,221	715,630,121	665,564,995	3,679,779	50,065,126
<b>Total</b>	<b>6,820,221</b>	<b>715,630,121</b>	<b>665,564,995</b>	<b>3,679,779</b>	<b>50,065,126</b>



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

**i) Summary of Overall Project Performance:**

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

In the current year, the project utilized approximately 82% of the funds received to settle consultancy obligations and purchase of some goods 25%. Additionally, the project facilitated direct payment of goods and services to its beneficiary (NTSA) worth Kshs. 134.7 million. Cumulatively, we have utilized approximately 60% of the loan proceed.

<b>Budget</b>	<b>FY 2020/2021</b>				
	<b>Actual</b>	<b>Budget</b>	<b>%</b>	<b>cumulative</b>	<b>%</b>
Loan (World Bank-IDA)	211,861,456	693,352,00	31%	715,630,121.00	65%
Loan (IDA Direct Payment)	-	-	-	-	
ccountepart Funds-GOK	-	-	-		
<b>TOTAL</b>	<b>211,861,456</b>	<b>693,352,000</b>	<b>31%</b>	<b>715,630,121.00</b>	<b>65%</b>

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

As this project is mostly a capacity-building portion, the Ministry and its beneficiaries have over the years of implementation benefited from trainings. This project has also been responsible for consultants under the Project Management Office who have been in the forefront of coordinating activities of the wide project sphere involving implementing entities like KeNHA, ICTA, KRA and all their beneficiaries.

**iii) Comment on value-for-money achievements**

All activities implemented through this project usually undergo review by the World Bank team. Value for money is among priority features that this Bank team ensure before approving.

**iv) Indicate the absorption rate for each year since the commencement of the project.**

Generally, since inception, the absorption rate has been sketchy. The expenditure on the project started in the first two years (2016&2017), absorption was rather low due to teething problems of the project. Absorption picked up around 2020 when the corona Virus became a pandemic. The absorption rate for the year is as shown below:-

**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)**  
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Absorption rate	FY 2020/2021			2019/2020	2018/2019	2017/2018	2016/2017
	Budget	Actual	%	%	%	%	%
<b>Proceeds from Borrowing</b>	693,352,000	211,861,456	<b>31%</b>	19%	88.60%	17.27%	51%
Compensation of employees	50,000,000	40,799,514	82%	85.7%	123%	66%	49%
Purchase of goods and services	643,352,000	158,111,760	25%	2.20%	121.6%	10%	77%
<b>TOTAL</b>	<b>693,352,000</b>	<b>198,911,274</b>	<b>29%</b>	<b>43.95%</b>	<b>122.40%</b>	<b>16%</b>	<b>63%</b>

- v) List the implementation challenges and recommended way forward.
- a. It takes significant time to move funds from the National Treasury to the Project Account
  - b. Due to occurrences of civil servants' transfers, officers operating on the project used to have a high turnover. This has since been reduced.

**1.8 Summary of Project Compliance:**

- i) Include significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants,  
*-There was no case of non-compliance.*
- ii) Include consequences suffered because of non-compliance or likely to be suffered.  
*-There was no case of non-compliance hence no consequences suffered during the financial year*
- iii) Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance.  
*-There is none however, strict adherence to set policies helps to mitigate any possible case of non-compliance.*



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

### **Introduction**

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

### **Project Development Objective (PDO)**

**The objective** of the Eastern Africa Regional Transport, Trade and Development Facilitation Project, Second Phase of Program (SOP2) is to improve the movement of goods and people along Lokichar – Nadapal/Nakodok part of the Eldoret-Nadapal/Nakodok road in the north western part of Kenya, in particular, and to enhance connectivity between Kenya and South Sudan, in general.

This project contributes to the principal PDO, improving access to the north western part of Kenya and between Kenya and South Sudan, through improving road infrastructure and ICT links, reducing transport and ICT costs, and facilitating the reduction of non-fiscal trade barriers, which help reduce the cost of doing business and development. The project also improves South Sudan's access to sea ports by improving the Nadapal/Nakodok – Eldoret part of the Juba- Nadapal – Eldoret (South Sudan – Kenya regional link) corridor that connects to the Northern Corridor serving the landlocked countries in the sub region to Mombasa sea port. The project provides the most cost-efficient transit corridor for South Sudan that crosses only one border post.

The project help boost export oriented agricultural development in the north western part of Kenya, which is endowed with agricultural land, animal resources, fishery and minerals. It also facilitates the extraction of the recent discovery of oil, and the development of tourism potential in the project area. In addition, the trade facilitation measures deployed under this project help integrate the poor, including the pastoralist women living along the corridor, into the national and sub-regional economy through the development of pastoralist roadside markets. The project contributes significantly to the improvement of the livelihood of the population living in Turkana and West Pokot counties of Kenya, currently living under extreme poverty, where development indicators, including education, life expectancy and sanitation, are far below the national average

### **Project Implementation**

Kenya National Highways Authority (KeNHA), Kenya Revenue Authority (KRA), implements the Project, State Department of Infrastructure (SDoI) and Information, Communication and Technology Authority (ICTA). The implementing entities establish Project Management Teams assigning staff from within. SDoI is responsible for the overall coordination and implementation of the project in Kenya, as well as the implementation of the development facilitation interventions such as designing the export processing zones in conjunction with other relevant government departments and the ministry responsible for commerce. SDoI appoints and maintain throughout the project life a project coordinator for overall coordination. KeNHA focuses on road corridor upgrading. KRA have the overall responsibility of implementing the trade facilitation measures on the Kenyan side while ICTA is responsible for the ICT component. SDoI, KeNHA,

**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)  
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For the financial year ended June 30, 2021**

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KRA and ICTA all have experience in managing Bank supported projects and further TA to strengthen project implementation capacity is provided under the project.

**The tasks under the State Department of Infrastructure are captured unerringly in the sub components extracted from the Project Appraisal Document (PAD) below:**

**Sub-component 2 (c):** Support to MoTI (US\$3.5 million). This sub-component includes a program of activities designed in conjunction with the ministry responsible for commerce, to implement transport, trade and development facilitation measures. It will include such activities as: (i) identifying and designing potential sites and providing services to facilitate the development of export processing zones, storage facilities and rest stops; (ii) certifying export products; and (iii) simplifying the process for import-export.

**Sub-component 3 (a):** Strengthen the institutional capacities of entities involved in Project implementation including: (i) the capacity of KeNHA in road design review as well as contract management, value engineering, road maintenance, safeguards and procurement management; (ii) project management capacity, maintenance management and engineering capabilities in the transport sector through supporting the Kenyan Roads Board; Engineers Board of Kenya; MoTI, Resource Mobilization Department under the National Treasury, and State Law Office; (iii) supporting the MoTI in the monitoring and evaluation of the projects; and (iv) strengthening project management capacity of Information and Communication Technology Authority (ICTA)

**Sub-component 3 (b):** Support to strengthen the National Transport and Safety Authority to implement the “Safe System”, program to include such activities as: (i) conducting needs assessment, vehicle safety inspection and safety audits; (ii) strengthening enforcement capability of the Authority and post-impact care; and (iii) assessing road safety on Lokichar-Eldoret section of the Eldoret-Nadapal/ Nakodok Corridor as well as developing and carrying out of a pilot road safety action plan along the corridor.

- **Sub-component 3 (c):** (i) Provision of advisory services, training and operating costs to Ministry of Transport and Infrastructure as required to sustain the management and coordination of Project implementation activities, including audits, and the monitoring and evaluation of progress achieved in the execution of the Project; (ii) Provision of advisory services, training and operating costs to KeNHA as required to sustain the management and coordination of Project implementation activities, including audits, and the monitoring and evaluation of progress achieved in the execution of the Project.

- **Sub-component 3 (d):** Provision of technical assistance (TA) to carryout preparatory studies to support the preparation of the next phase of the Program and develop follow-on regional transport and trade facilitations projects as well as bidding documents for long term performance-based road maintenance contracting

#### **Metrics met**

The project is in its 5th year of implementation with one year left to closure, (December 2021).

Multitude achievements and milestones have been met amidst various challenges in implementation.

These achievements have both been evidenced in both the overall project sphere as well as in the tasks for the State Department of Infrastructure.



**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)**  
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<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Eastern Africa Regional Transport, Trade, Development & Facilitation Project (EARTTDFP)	Support to MoTI to implement transport, trade and development facilitation measures	facilitate the development of export processing zones, storage facilities and rest-stops and ease the process of exporting and importing goods	% increase in imports and exports for the country	<b>This activity has not yet been implemented</b>
	Strengthen the institutional capacities of entities involved in Project implementation	Capacity building to Kenya Roads Board, Engineers Board of Kenya, State Department of Infrastructure, State Law Office, Resource Mobilization under National Treasury	Well trained officers as well as equipped offices to enable officers undertake their duties and responsibilities as set out in the various organizations	<b>In the FY 20/21 the project was able to train xx number of officers from all the mentioned institutions</b>
	Support to strengthen the National Transport and Safety Authority to implement the “Safe System”, program	Vehicle safety inspection and safety audits, strengthening enforcement capability of the Authority and post-impact care and assessing road safety on Lokichar-Eldoret section of the Eldoret-Nadapal/ Nakodok Corridor as well as developing and carrying out of a pilot road safety action plan along the corridor.	Increase road safety in the country	<b>In the FY 20/21 the activity under NTSA was still under implementation hence not possible to measure performance</b>
	Provision of advisory services, training and operating costs to Ministry of Transport and Infrastructure as required to sustain the management and coordination of Project implementation activities	acquiring technical assistance (TA) to entities involved in Project implementation as well as Monitoring and coordination of the project	Efficiency and effectiveness in meeting project objectives	<b>In the FY 19/20 the SDoI acquired services of a communication officer to enhance capacity of the coordination office in respect of project implementation</b>

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

Currently the State Department is not involved in any corporate social responsibility since the activities under the department are not interactive with any society.



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

The Principal Secretary for the State department of Infrastructure and the Project Coordinator for Eastern Africa Regional Transport, Trade and Development Facilitation Project (Chief Engineer Roads) are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2021.

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

The Principal Secretary for the State department of Infrastructure and the Project Coordinator for Eastern Africa Regional Transport, Trade and Development Facilitation Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the State department of Infrastructure and the Project Coordinator for Eastern Africa Regional Transport, Trade and Development Facilitation Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2021, and of the Project's financial position as at that date. The Principal Secretary for the State department of Infrastructure and the Project Coordinator for Eastern Africa Regional Transport, Trade and Development Facilitation Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

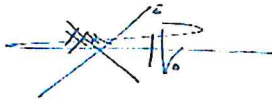
**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)  
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For the financial year ended June 30, 2021**

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The Principal Secretary for the State department of Infrastructure and the Project Coordinator for Eastern Africa Regional Transport, Trade and Development Facilitation Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Project financial statements**

The Project financial statements were approved by the Principal Secretary for the State department of Infrastructure and the Project Coordinator for Eastern Africa Regional Transport, Trade and Development Facilitation Project on \_\_\_\_\_ 2021 and signed by them.



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**Principal Secretary**  
Prof. Arch. Paul M. Maringa (PhD),  
CBS, F.A.A.K, MKIP



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**Project Coordinator**  
Eng. J. M. Kung'u



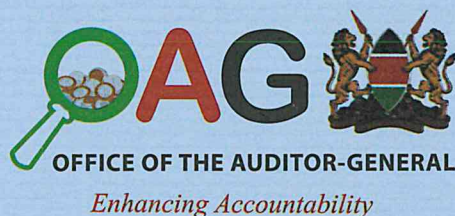
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**Project Accountant:**  
CPA. Elizabeth Adhiambo  
ICPAK Member No:9045



# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON EASTERN AFRICA REGIONAL TRANSPORT, TRADE AND DEVELOPMENT FACILITATION PROJECT CR NO. 5638-KE IDA FOR THE YEAR ENDED 30 JUNE, 2021 – STATE DEPARTMENT FOR INFRASTRUCTURE**

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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 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 are aimed at addressing the statutory roles and responsibilities of the Auditor-General 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**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Eastern Africa Regional Transport, Trade and Development Facilitation Project Cr. No. 5638 set out on pages 1

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*Report of the Auditor-General on Eastern Africa Regional Transport, Trade and Development Facilitation Project  
CR. No. 5638-KE IDA for the year ended 30 June, 2021 – State Department for Infrastructure*



to 20, 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 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, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Eastern Africa Regional Transport, Trade and Development Facilitation Project Credit No. 5638 IDA - Infrastructure as at 30 June, 2021, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Financing Agreement No. 5638-KE dated 20 July, 2015 between Republic of Kenya and International Development Association.

### **Basis for Qualified Opinion**

#### **1. Cash and Cash Equivalents**

Review of the cash and cash equivalents balance as at 30 June, 2021, revealed the following anomalies:

##### **1.1 Variance Between Financial Statements and Cashbook**

Statement of financial assets and Note 4 to the financial statements reflects bank balance of Kshs.50,065,126 which differs with the cashbook balance of Kshs.48,081,317 as at 30 June, 2021 resulting to an unexplained variance of Kshs.1,983,809. Further, bank reconciliation statement for June, 2021 reflected a bank balance of Kshs.50,065,126 which differed with Kshs.51,522,285 shown in the certificate of bank balance leading to an unexplained variance of Kshs.1,457,158.

##### **1.2 Payments which are in Cashbook but not in Bank Statements**

Bank reconciliation statement as at 30 June, 2021 reflects a figure of Kshs.674,023 in respect of payments which are in cashbook but not in bank statement which includes two payments made to KRA totalling Kshs.302,785 dating back to the year 2017 and another payment to an Officer of the project of Kshs.241,183 paid in 2019. These payments were all stale as at 30 June, 2021 and should have been written back into the cashbook. In addition, the bank reconciliation statements includes entries totalling Kshs.130,055 described as cashbook overcasts which should have been adjusted in the cashbook instead of being captured as reconciling items.

##### **1.3 Receipts which are in Bank Statements not Recorded in the Cashbook**

The bank reconciliation statement as at 30 June, 2021 shows receipts which are in the bank statements but are not in the cashbook of Kshs.1,439,059. Included in the amount is an entry of Kshs.620,400 dating back to 2017 which was not explained or reconciled. Included in the balance, are two amounts described as local cash deposit bulk of



Kshs.18,659 and Kshs.800,000 dated 25 November, 2018 and 24 January, 2020 respectively. The nature of these receipts and reasons for their posting in the cashbook was not provided.

#### **1.4 Payments in Bank Statements not Recorded in Cashbook**

The bank reconciliation statement as at 30 June, 2021 reflects payments of Kshs.129,273 which are in bank statements but not recorded in the cashbook and which comprise of two items dating back to 2019. No supporting documents or explanation were provided for these long outstanding payments.

In the circumstances, it was not possible to confirm that cash and cash equivalents balance of Kshs.50,065,126 as at 30 June, 2021 was fairly stated.

### **2. Special Account Reconciliation**

The statement of receipts and payments reflects Kshs.211,861,456 in respect of total receipts for the year which includes Kshs.77,128,596 (USD 704,984) as loan from development partners (controlled by the entity) representing amounts drawn from the special account maintained at the Central Bank of Kenya. However, review of the special account statements and the accompanying reconciliation revealed that a total of Kshs.77,207,250 (USD 919,638.13) was drawn to fund Project activities during the year leading to an unreconciled variance of Kshs.78,654 (USD 214,654).

Consequently, it has not been possible to confirm the fair statement of the Kshs.77,128,596 reported as loan receipts from development partners (controlled by the entity) during the year ended 30 June, 2021.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Eastern Africa Regional Transport, Trade and Development Facilitation Project Cr No 5638 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 qualified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

#### **1. Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of kshs.693,352,000 and Kshs.211,861,456 respectively, resulting in under-funding of Kshs.481,490,544 equivalent to 70% of the approved

budget. Similarly, the project expended Kshs.198,911,274 against an actual receipt of Kshs.211,861,456 resulting to under-expenditure of Kshs.12,950,182 or 6% of the approved budget.

Failure to receive the budgeted funding and the resultant under-expenditure implies that some of the planned project activities were not implemented thereby denying effective services to the citizens.

## **2. Long Outstanding Inter-Project Borrowings**

Notes 5 and 6 to the financial statements reflects amounts of Kshs.1,336,335 and Kshs.4,167,891 in respect of advances and accounts payable for Kenya Transport Sector Support Program (KTSSP) and National Urban Transport Improvement Project (NUTRIP) respectively which remained unchanged from the previous financial year. Management has explained that the amounts relate to inter-project borrowings and that the two projects have since been closed. However, no efforts have been demonstrated towards clearing of the balances arising from inter-project borrowings.

## **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 overall 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 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 International Development Association and the Financing Agreement No. 5638-KE dated 20 July, 2015, 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 control, risk management and governance.

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

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

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

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how the Project 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 Project's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



**CPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**08 December, 2021**





**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)  
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 (From inception)
	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	
	KShs	KShs		KShs	KShs		KShs
<b>RECEIPTS</b>							
1 Loan from external development partners	77,128,596	134,732,860	211,861,456	85,490,250	263,598,121	349,088,371	715,630,121
<b>TOTAL RECEIPTS</b>	<b>77,128,596</b>	<b>134,732,860</b>	<b>211,861,456</b>	<b>85,490,250</b>	<b>263,598,121</b>	<b>349,088,371</b>	<b>715,630,121</b>
<b>PAYMENTS</b>							
2 Compensation of employees	40,799,514	-	40,799,514	42,843,865	-	42,843,865	158,522,332
3 Purchase of goods and services	23,378,900	134,732,860	158,111,760	5,810,325	263,598,121	269,408,446	507,042,663
<b>TOTAL PAYMENTS</b>	<b>64,178,414</b>	<b>134,732,860</b>	<b>198,911,274</b>	<b>48,654,190</b>	<b>263,598,121</b>	<b>312,252,311</b>	<b>665,564,995</b>
<b>SURPLUS/ (DEFICIT)</b>	<b>12,950,182</b>	<b>-</b>	<b>12,950,182</b>	<b>36,836,060</b>	<b>-</b>	<b>36,836,060</b>	<b>50,065,126</b>

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



Principal Secretary  
Prof. Arch. Paul M. Maringa (PhD),  
CBS, Corps Arch. F.A.A.K, MKIP



Project Coordinator  
Eng. J. M. Kung'u

Project Accountant  
CPA. Elizabeth Adhiambo  
ICPAK Member No:9045



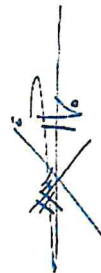


*Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)  
Reports and Financial Statements  
For the financial year ended June 30, 2021*

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

	Note	2020-2021 KShs	2019-2020 KShs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	4.A	50,065,126	37,114,944
<b>Total Cash and Cash Equivalents</b>		-	
Accounts Receivable	5	1,336,335	3,117,055
<b>TOTAL FINANCIAL ASSETS</b>		<b>51,401,461</b>	<b>40,231,999</b>
<b>FINANCIAL LIABILITIES</b>			
Payables- Deposits and Retentions	6	(4,167,891)	(4,167,891)
<b>NET FINANCIAL ASSETS</b>		<b>47,233,570</b>	<b>36,064,108</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	7	36,064,108	891,713
Prior year adjustments	8	(1,780,720)	(1,663,665)
Surplus/(Deficit) for the year		12,950,182	36,836,060
<b>NET FINANCIAL POSITION</b>		<b>47,233,570</b>	<b>36,064,108</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 \_\_\_\_\_ 2021 and signed by:



Principal Secretary  
Prof. Arch. Paul M. Maringa (PhD),  
CBS, Corps Arch. F.A.A.K, MKIP

Date



Project Coordinator  
Eng. J. M. Kung'u

Date

Project Accountant  
CPA. Elizabeth Adhiambo

Date  
ICPAK Member No:9045.

**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)  
Reports and Financial Statements  
For the financial year ended June 30, 2021**

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

	Note	KShs	KShs
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
Payments from operating activities			
Compensation of employees	2	(40,799,514)	(42,843,865)
Purchase of goods and services	3	(158,111,760)	(269,408,446)
<b>Adjustments during the year</b>			
Prior Year Adjustments	8	(1,780,720)	(1,663,665)
Decrease/(Increase) in Accounts Receivable	9	1,780,720	1,663,665
Net cash flow from operating activities		(198,911,274)	(312,252,311)
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from Foreign Borrowings	1	211,861,456	349,088,371
Net cash flow from financing activities		211,861,456	349,088,371
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>12,950,182</b>	<b>36,836,060</b>
Cash and cash equivalent at BEGINNING of the year		37,114,944	278,884
Cash and cash equivalent at END of the year	4	50,065,126	37,114,944

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 \_\_\_\_\_ 2021 and signed by:



Principal Secretary

Prof. Arch. Paul M. Maringa (PhD),  
CBS, Corps Arch. F.A.A.K, MKIP

Date.....



Project Coordinator

Eng. J. M. Kung'u

Date.....



Project Accountant

CPA. Elizabeth Adhiambo

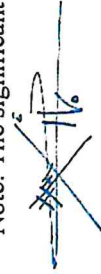
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**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTDFP)  
Reports and Financial Statements  
For the financial year ended June 30, 2021**

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

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilizat ion f=d/c %
<b>Receipts</b>						
Proceeds from borrowings	1,593,352,000	900,000,000	693,352,000	211,861,456	481,490,544	31%
Miscellaneous receipts						
<b>Total Receipts</b>	<b>1,593,352,000</b>	<b>900,000,000</b>	<b>693,352,000</b>	<b>211,861,456</b>	<b>481,490,544</b>	<b>16%</b>
<b>Payments</b>						
Compensation of employees	50,000,000		50,000,000	40,799,514	9,200,486	82%
Purchase of goods and services	1,543,352,000	900,000,000	643,352,000	158,111,760	485,240,240	25%
<b>Total Payments</b>	<b>1,593,352,000</b>	<b>900,000,000</b>	<b>693,352,000</b>	<b>198,911,274</b>	<b>494,440,726</b>	<b>29%</b>

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



Principal Secretary

Prof. Arch. Paul M. Maringa (PhD),

CBS, Corps Arch. F.A.A.K, MKIP

Date: .....



Project Coordinator

Eng. J. M. Kung'u

Date: .....



Project Accountant

CPA. Elizabeth Adhiambo

Date: .....

ICPAK Member No:9045

## **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 - 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.

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.

**k) Pending bills**

**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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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 recognised as inter-entity transfers and are eliminated upon consolidation.

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

**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 134,732,860 being loan disbursements were received in form of direct payments from third parties.

**Significant Accounting Policies (Continued)**

**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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**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.



## 11. NOTES TO THE FINANCIAL STATEMENT

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 1. 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	
			KShs	KShs	2020/21	2019/20
<b>Loans Received from Multilateral Donors (International Organisations)</b>						
World Bank (IDA)	19-Jan-21	214,704	23,930,233	47,222,535	23,930,233	
	17-Mar-21	217,997	23,881,577	7,293,517	23,881,577	
	28-Jun-21	272,284	29,316,786	80,216,808	29,316,786	
					134,732,860	
<b>Total</b>		<b>704,984.44</b>	<b>77,128,596</b>	<b>134,732,860</b>	<b>211,861,456</b>	<b>349,088,371</b>

Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)  
 Reports and Financial Statements  
 For the financial year ended June 30, 2021

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

	2020/2021			2019/2020	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
-					
Basic salaries of permanent employees	40,799,514	-	40,799,514	42,843,865	158,522,332
<b>Total</b>	<b><u>40,799,514</u></b>	<b><u>-</u></b>	<b><u>40,799,514</u></b>	<b><u>42,843,865</u></b>	<b><u>158,522,332</u></b>

**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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

**3. PURCHASE OF GOODS AND SERVICES**

	2020/2021			2019/2020	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Utilities, supplies and services	-	-	-	-	8,272,969
Training payments	23,378,900	-	23,378,900	5,000,125	97,472,493
Specialized materials and services	-	134,732,860	134,732,860	263,598,121	398,330,981
Other operating payments	-	-	-	810,200	2,966,220
<b>Total</b>	<b>23,378,900</b>	<b>134,732,860</b>	<b>158,111,760</b>	<b>269,408,446</b>	<b>507,042,663</b>

**4. CASH AND CASH EQUIVALENTS**

	2020/21	2019/20
	KShs	KShs
Bank accounts (Note 4.A)	50,065,126	37,114,944

The project 1 of project accounts spread within the project implementation area and 1 foreign currency designated accounts managed by the National Treasury as listed below:

**4. A Bank Accounts**

**Project Bank Accounts**

	2020/21	2019/20
	KShs	KShs
<b><u>Local Currency Accounts</u></b>		
Central Bank of Kenya [A/c No1000284579]	50,065,126	37,114,944
<b>Total bank account balances</b>	<b>50,065,126</b>	<b>37,114,944</b>



**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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

**Special Deposit Accounts**

The balances in the Project's Special Deposit Account(s) as at 30<sup>th</sup> June 2021 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

**Special Deposit Accounts Movement Schedule**

	<b>2020/21</b>	<b>2019/20</b>
	<b>KShs</b>	<b>KShs</b>
<b>(i) A/C Name [A/c No.01000243759]</b>		
Opening balance	0	0
Total amount deposited in the account	19-Jan-21	23,930,233
	17-Mar-21	23,881,577
	28-Jun-21	29,316,786
		<b>77,128,596</b>
		85,490,250
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>77,128,596</u>	<u>85,490,250</u>
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b><u>0</u></b>	<b><u>0</u></b>

The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as *Appendix ii* support these closing balances.

Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)  
 Reports and Financial Statements  
 For the financial year ended June 30, 2021

5. ACCOUNTS RECEIVABLES

<i>Description</i>	2020-2021	2019-2020
	Kshs	Kshs
Advances	1,336,335	3,117,055
<b>Total</b>	<b>1,336,335</b>	<b>3,117,055</b>

5B: 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 20/21</i>	<i>Balance 19/20</i>
Hudson Kihumba Nyamanda	-	-	-		1,780,720
KTSSP	-	-	-	1,336,335	1,336,335
<b>TOTAL</b>				<b>1,336,335</b>	<b>(3,117,055)</b>
NUTRIP				(4,167,891)	(4,167,891)
<b>Total</b>	-	-	-	<b>(2,831,556)</b>	<b>(1,050,836)</b>

6. ACCOUNTS PAYABLES

<i>Description</i>	2020-2021	2019-2020
	Kshs	Kshs
Payables	4,167,891	4,167,891
<b>Total</b>	<b>4,167,891</b>	<b>4,167,891</b>

7. FUND BALANCE

	2019/20	2018/19
	KShs	
Bank accounts	37,114,944	278,884
Outstanding imprests and advances	(1,050,836)	612,829
<b>Total</b>	<b>36,064,108</b>	<b>891,713</b>

Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)  
 Reports and Financial Statements  
 For the financial year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. PRIOR YEAR ADJUSTMENT

	Balance b/f FY 2020/2021 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Receivables	(1,780,720)	-	(1,663,665)
Total	(1,780,720)	-	(1,663,665)

Note:

The amount reflected on prior year adjustment relates to outstanding imprest which was due for surrender.  
 The imprest has been surrendered as per attached copy of surrender voucher

9. CHANGES IN RECEIVABLE

Description of the error	2020-2021	2019-2020
	KShs	KShs
Opening Receivables as at 1 <sup>st</sup> July 2020	-	
Closing account receivables as at 30 <sup>th</sup> June 2021	1,780,720	1,663,665
Change in Receivables	1,780,720	1,663,665

**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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**10. EXTERNAL ASSISTANCE**

	<b>FY 2020/2021</b>		<b>FY</b>
<b>Description</b>		<b>Kshs</b>	<b>2019/2020</b>
			<b>Kshs</b>
External assistance received as grants		-	-
External assistance received as loans	19-Jan-20	23,930,233	85,490,250
	17-Mar-21	23,881,577	
	28-Jun-21	29,316,786	
		77,128,596	
External assistance received in kind- as payment by third parties	10-Aug-20	80,216,808	263,598,121
	18-Nov-20	7,293,517	
	20-Jun-21	47,222,535	
		134,732,860	
<b>Total</b>		<b>211,861,456</b>	<b>394,088,371</b>



Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)  
 Reports and Financial Statements  
 For the financial year ended June 30, 2021

**OTHER IMPORTANT DISCLOSURES (Continued)**

*a). External assistance relating loans and grants*

Description	FY 2020/2021		FY 2019/2020
		Kshs	Kshs
External assistance received as loans	19-Jan-21	23,930,233	85,490,250
	17-Mar-21	23,881,577	
	28-Jun-21	29,316,786	
<b>Total</b>		<b>77,128,596</b>	<b>85,490,250</b>

*b) Undrawn external assistance*

Description	Purpose for which the undrawn external assistance may be used	FY 2020/2021	FY 2019/2020
		Kshs	Kshs
Undrawn external assistance - loans		380,752,809	592,614,265
<b>Total</b>		<b>380,752,809</b>	<b>592,614,265</b>

*c) classes of providers of external assistance*

Description	FY 2020/2021		FY 2019/2020
		Kshs	Kshs
Bilateral donors	19-Jan-21	23,930,233	85,490,250
	17-Mar-21	23,881,577	
	28-Jun-21	29,316,786	
<b>Total</b>		<b>77,128,596</b>	<b>85,490,250</b>

*d) Purpose and use of external assistance*

Payments Made by Third Parties	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
Compensation of Employees	40,799,514	42,843,865
Use of goods and services	158,111,760	269,408,446
<b>TOTAL</b>	<b>198,911,274</b>	<b>312,252,311</b>

**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Inaccuracies in the Statement of Financial assets	The statement of financial assets reflects prior year adjustment of kshs. 6,492,005 which, as shown under note 8.16 to the financial statements, related to outstanding imprest. However, the details of prior year adjustments were not provided. Further, the statement of financial assets reflects a nil balance under inter project payables while. Note 8.14 to the financial statement reflects outstanding inter projet payables of kshs. 4,711,006. The difference between the two sets of records have not been explained	The issue has already been reviewed and revised to reflect the true position of the financial statement	Principal Secretary	Resolved
Other matters	The statement of comparative budget and actual amounts reflects actual and budgeted receipts of ksh. 85,490,250 and ksh. 450,000,000 respectively resulting in under-funding of ksh. 364,509,750 or 81% of the budgeted. Similarly, the project expended an amount of ksh. 51,683,050 against an approved budget of ksh. 450,000,000 resulting to an under absorption on ksh. 398,346,950 or 88% of the budget. Although the management has attributed the under-funding an under expenditure to the	Due to COVID 19 Pandemic most activities were suspended leading to very	Principal Secretary	Resolved

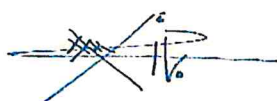


**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)  
 Reports and Financial Statements  
 For the financial year ended June 30, 2021**

	effects of COVID 19 Pandemic which has led to the suspension of many activities, the-performance is very low. Consequently, the planned programme and activities may not have been implemented and the public has not received the envisaged services.	low performance.		

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



**Principal Secretary**  
**Prof. Arch. Paul M. Maringa (PhD),**  
**CBS, F.A.A.K, MKIP**

\_\_\_\_\_  
**Date**



**Project Coordinator**  
**Eng. J. M. Kung'u**

\_\_\_\_\_  
**Date**

**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**13. ANNEXES**

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

	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Budget Utilization Difference</b>	<b>% of Utilization</b>	<b>Comments on Variance(below 90%</b>
	<b>a</b>	<b>b</b>	<b>c=a-b</b>	<b>d=b/a %</b>	
<b>Receipts</b>					
Proceeds from borrowings	693,352,000	211,861,456	481,490,544	31%	
<b>Total Receipts</b>	<b>693,352,000</b>	<b>211,861,456</b>	<b>481,490,544</b>	<b>31 %</b>	
<b>Payments</b>					
Compensation of employees	50,000,000	40,799,514	9,200,486	82%	
Purchase of goods and services	643,352,000	158,111,760	485,240,240	25%	
<b>Total payments</b>	<b>693,352,000</b>	<b>198,911,274</b>	<b>494,440,726</b>	<b>29%</b>	

*Note:*

29% Low absorption was due to COVID-19 Pandemic, which curtailed conferences, trainings and movement among other activities



**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)  
Reports and Financial Statements  
For the financial year ended June 30, 2021**

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**ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS-Non During the year**

**ANNEX 3 - ANALYSIS OF PENDING BILLS-Non During the year**

**ANNEX 4 – SUMMARY OF FIXED ASSETS REGISTER-Non during the year**

**ANNEX 5 – CONTINGENT LIABILITIES REGISTER-Non during the year**

**Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP)  
Reports and Financial Statements  
For the financial year ended June 30, 2021**

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**APPENDICES**

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30<sup>th</sup> June 2021
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance**

**REPUBLIC OF KENYA**

**MINISTRY OF TRANSPORT AND INFRASTRUCTURE**  
(State Department of Infrastructure)

FY 2021/2022

**BANK RECONCILIATION**

EARTTDP ACCOUNT STATION -MOR -HQ E.A.R.T.T & D. P  
EARTTDP ACCOUNT NO. 1000284579

	KShs.	KShs.	KShs.
Balance as per bank certificate			50,065,126.10
1 Payments in cash book not yet recorded in bank statement	674,022.65		
2 Receipts in bank statement not yet recorded in cash book	1,439,059.35	2,113,082.00	
3 Payments in bank statement not yet recorded in cash book	129,273.05		
4 Receipts in cash book not yet recorded in bank statement	-	129,273.05	
Balance as per the cash book			48,081,317.15

Less:

- 1 Payments in cash book not yet recorded in bank statement
- 2 Receipts in bank statement not yet recorded in cash book

Add:

- 3 Payments in bank statement not yet recorded in cash book
- 4 Receipts in cash book not yet recorded in bank statement

I certify that I have verified the Bank Balance in the Cash Book with the Bank statement and that the above reconciliation is correct

.....  
Signature

Assistant Accountant General  
Designation

30/06/21  
Date





EARTTDP ACCOUNT NO. 1000284579 BANK RECONCILIATION  
PAYMENTS IN CASH BOOK NOT RECORDED IN BANK STATEMENT  
AS AT 12TH JULY 2021

REF: NO	PAYMENT PARTICULARS	AMOUNT (KSHS)
25.08.17	KRA TAX 30%	265,885.00
07.11.17	KRA TAX 30%	36,900.00
18.05.18	JOSEPHINE (OVERCAST)	200.00
	CB OVERCAST	129,804.65
10/5/2019	Armstrong Kioli	241,183.00
3-Jun-21	SAMSON (OVERCAST)	50.00
30/6/2021	COMPUTER SOCIETY	77,146.55
	TOTAL	<u>674,022.65</u>



EARTTDP ACCOUNT NO. 1000284579 BANK RECONCILIATION  
RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK  
AS AT 12TH JULY 2021

DATE	REF: NO	RECEIPTS PARTICULARS	AMOUNT (KSHS)
24-Jul-17	FT17205QPZVF	STANDARD CHARTERED BANK KENYA LIMIT	620,400.00
25-Apr-18	FT18115LN3C2	Local Cash Deposit Bulk	0.25
2-Nov-18	FT183068W3S7	Local Cash Deposit Bulk	18,659.10
24-Jan-20	FT200240CDWS	Local Cash Deposit Bulk	800,000.00
<b>TOTAL</b>			<b><u>1,439,059.35</u></b>

DATE

24-Jul-17

25-Apr-18

2-Nov-18

24-Jan-20

DATE

24-Jul-17

25-Apr-18

2-Nov-18

24-Jan-20

DATE

24-Jul-17

25-Apr-18

2-Nov-18

24-Jan-20





EARTTDP ACCOUNT NO. 1000284579 BANK RECONCILIATION  
PAYMENT IN BANK STATEMENT NOT RECORDED IN CASH BOOK  
AS AT 12TH JULY 2021

DATE	REF: NO	PAYMENT PARTICULARS	AMOUNT (KSHS)
24-Jun-19	FT19175V6	TRFS Payments	38,782.00
25-Jun-19	FT19176H9	SAMSON NTHUKU	90,491.00
6-Oct-21	FT21279Q8	SAMSON NTHUKU OVERCAST	0.05
		TOTAL	<u><u>129,273.05</u></u>









REPUBLIC OF KENYA

Date 30 06 2021

Report of the Board al Survey on the Cash and Bank Balances of HQS  
STATE DEPT. FOR INFRASTRUCTURE – EARTTDFP

business on... 30/06 2021

The Board, consisting of—(Names and official titles)

MR SILVESTER LIECH	HEAD ICT	CHAIRMAN
MR CYRUS NJAU	PA	SECRETARY
MR MARTIN MOSIRIA	S.P.F.O	MEMBER

assembled at the office of HQS CASH OFFICE

at 10.00 AM (time) on the

and the following cash was produced: —

Notes	Sh. NIL
Silver	Sh. NIL
Copper	Sh. NIL
Cheques (as per details on reverse)	Sh. NIL
	NIL

It was observed that cheques amounting to Sh NIL cts had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any der. metized coin or notes.

The Cash Book reflected the following balances as at the close of business on the

Cash on hand	Sh. NIL
Bank Balance	Sh. 48,081,317.15
	48,081,317.15

The Bank Certificate of Balance showed a sum of Sh FIFTY ONE MILLION, FIVE HUNDRED TWENTY TWO THOUSAND TWO HUNDRED EIGHTY FOUR AND CENTS cts FIFTY FIVE ( 51,522,284.55)

standing to the credit of the account on 30<sup>TH</sup> JUNE 2021

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

*[Signature]* 30/6/2021  
Chairman.  
*[Signature]* 30/6/2021  
Members of the board.

Date .....



EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (MOTI)  
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION  
FOR THE YEAR ENDED 30 JUNE 2021

Credit No.: IDA LOAN CREDIT NO.5638-KE DA-A

Bank Account No.: 1000243759 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		3,043,276.06
	Less:		
2	Total amount documented		2,543,276.06
3	<b>Outstanding amount to be documented</b>		<b>500,000.00</b>
	Represented by:		
4	Ending Special account Balance as as 30 June 2021		-
5	Amounts claimed but not credited as at 30 June 2021		-
6	Amounts withdrawn and not claimed		500,000.00
7	Service Charges (if not included in lines 5 and 6 above)		
8	Interest earned (if included in Special Account)		-
9	<b>Total advance to Special Account Year ended 30 June 2021</b>		<b>500,000.00</b>

Discrepancy between total appearing on line 3 and 9

Notes:

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

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs

*[Signature]*  
AUTHORISED REPRESENTATIVE  
RESOURCE MOBILISATION DEPARTMENT  
THE NATIONAL TREASURY

DATE: 30 07 2021



**SPECIAL ACCOUNT STATEMENT**

For period ending	30th JUNE, 2021 ✓
Account No.	1000243759
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	MIN. OF TRANSPORT AND INFRA-A/C 'A' ✓
Credit Agreement	
Currency	USD

**Part A - Account Activity**

Beginning balance of 1st July, 2020 as per C.B.K. Ledger Account	0.00
---	------

**Add:**

Total Amount deposited by World Bank	919,638.13
--------------------------------------	------------

Total Interest earnings if deposited in account	-----
---	-------

Total amount refunded to cover ineligible expenditure	-----
--	-------

**Deduct:**

Total amount withdrawn	919,638.13 ✓
------------------------	--------------

Total service charges if not included above in amount withdrawn	-----
--	-------

Ending balance on 30th June, 2021	0.00
-----------------------------------	------

**AUTHORISED REPRESENTATIVE  
CENTRAL BANK OF KENYA**

SIGNATURE: \_\_\_\_\_

DATE \_\_\_\_\_

22.07.2021

**AUTHORISED REPRESENTATIVE  
EXTERNAL RESOURCES  
DEPARTMENT-TREASURY**

SIGNATURE: \_\_\_\_\_

DATE \_\_\_\_\_

30.07.2021

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2021 have been reconciled and a copy of the supporting Reconciliation Statement is attached.





Results 1 - 8 of 8

Run Date: 15/07/2021  
 CENTRAL BANK OF KENYA  
 BANKI KUU YA KENYA  
 P.O.BOX 60800-0200  
 NAIROBI

Run Time: 14:52:57

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000243759

ACCOUNT TITLE : MIN. OF TRANSPORT AND INFRA-A/C 'A'  
 30/06/2021

STATEMENT PERIOD: From 01/07/2020 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL : 0.00					
NO.	Value Date	Reference.No	Details	Debit	Credit
1	17/08/2020	FT202306BGTX	FUNDING	0.00	214,678.69
2	18/12/2020	FT2035392RPP	PA125498	-214,678.69	0.00
3	18/12/2020	FT20353NN7SQ	PA125498	-214,678.69	0.00
4	18/12/2020	FT20353NN7SQ	PA125498	0.00	214,678.69
5	18/02/2021	FT210498DHGJ	FUNDING	0.00	217,997.05
6	05/03/2021	FT21064HVDW9	PA 125583	-217,997.05	0.00
7	08/06/2021	FT21159CM2VX	FUNDING	0.00	272,283.70
8	17/06/2021	FT21167Z1CVK	PA126126	-272,283.70	0.00
CLOSING BALANCE :				0	0

END OF ACCOUNT STATEMENT

Favourites TAM.E.STMT.OF.ACCT.EPRM More Options Clear Selection Find

Account equals 1000243759

Statement From equals 20200701

Statement To equals 20210630

TAM.E.STMT.OF.ACCT.EPRM



Loan: IDA 56380 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P148853 - EA Regional Transport, Trade and Development Facilitation Project (Second Phase of Program)

[Loan Overview](#) | [Disbursements](#) | [History](#) | [Repayments](#) | [Amortization Schedule](#) | [Audit Submission](#)

[Applications](#) | [eSignatorie\(s\)](#) | [Beneficiaries](#) | [Contracts](#) | [Designated/UN Accounts](#) | [Category Schedule](#) |

### Designated Account Detail- DA-A

#### Account Details

Account Holder	MINISTRY OF TRANSPORT AND	DA Currency	USD
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	500,000.00
Account Number	XXXXXXXX59	Associated Categories	1 - (Gd,Wk,NCS,CS,Trg&OC -MoT)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	

#### Transaction Details

Currency (USD) [View Transaction List](#)

Total Deposits Less Refunds	3,043,276.06
Documented	2,543,276.06
Outstanding Balance	500,000.00
Waived Documentation Amount	0.00
Transaction in Process	0.00

#### Loans with Closing Date in less than 6 months

The Closing Date for the Loan is in 6 months.

If all withdrawal applications and supporting documentation for project expenditures are expected to be submitted to the Bank by the Closing Date, no action needed.

If all project expenditures are expected to be incurred (i.e., services rendered and goods delivered) by the Closing Date, but additional time is needed to submit withdrawal applications and/or supporting documentation to the Bank, the borrower representative should contact the Task Leader to establish a Grace Period - an additional period between the Closing Date and the Application Deadline Date during which withdrawal applications or supporting documentation for Designated Account Advances may be submitted to the Bank for eligible expenditures incurred by the Closing Date. If the Grace Period has been established, no action is required.

If some project expenditures are expected to be incurred after the Closing Date, the borrower representative should contact the Task Leader to discuss extending the Closing Date. (You may wish to contact your suppliers to ensure contracts will be completed by the Closing Date.)

To discuss disbursement arrangements, including documentation of the Designated Account, the borrower representative should contact the Finance Officer.

For further guidance, please enter your query as Feedback .





BANKI  
KUU YA  
KENYA



CENTRAL  
BANK OF  
KENYA

July 13, 2021

Haile Selassie Avenue  
P.O. Box 60000 - 00200 Nairobi, Kenya  
Telephone: 2860000, Fax: 340192

## CERTIFICATE OF BALANCES

Customer: 122551- STATE DEPARTMENT FOR INFRASTRUCTURE

Balance Date: 30 JUN 2021

Account No	Account Name	Currency	Balance
1000209836	CBK165-STATE DEPT.FOR INFRASTRUCTUR	KES	0.00
1000209844	DEV-STATE DEPT FOR INFRASTRUCTURE	KES	720,762,954.95
1000209925	REC-STATE DEPT. FOR INFRASTRUCTURE	KES	107,294,771.80
1000212535	DEP-STATE DEPT FOR INFRASTRUCTURE	KES	207,030,248.85
1000227834	MSA COUNTY ROADS OFFICER	KES	0.00
1000231157	KENYA. TRANSPORT SECTOR. SUPP. PRJ	KES	53,826.55
1000236663	THE ROADS ANNUITY FUND	KES	3,900,119,227.25
1000284579	E.A REG. TRANS TRADE AND DEV F/PROJ	KES	51,522,284.55
1000328045	STATE DEPT OF INFRAS EQUA FUND OPER	KES	102,500,000.00
1000442317	KENYA ROADS BOARD-DEVELOPMENT	KES	0.00
1000477946	HORN OF AFRICA GATEWAY DV PJ CR6768	KES	19,678,155.00

Lawrence Rweria  
Authorised Signatory  
Banking Services Division

Joyce Nasieku(Ms)  
Authorised Signatory  
Banking Services Division

