

THE NATIONAL ASSEMBLY PAPERS LAID	
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REPORT

OF

THE AUDITOR-GENERAL

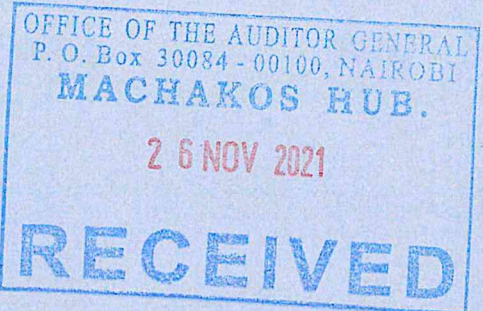
ON

**HORN OF AFRICA GATEWAY
DEVELOPMENT PROJECT**

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

**STATE DEPARTMENT FOR
INFRASTRUCTURE**





HORN OF AFRICA GATEWAY DEVELOPMENT PROJECT

STATE DEPARTMENT OF INFRASTRUCTURE

PROJECT GRANT/CREDIT NUMBER: 6768-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2021

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

Horn of Africa Gateway Development Project (HoAGDP)
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 Horn of Africa Gateway development 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@infrastructure.go.ke

Website: www.transport.go.ke

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PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.2 Project Information

Project Start Date:	The project start date is 22 nd Dec. 2020
Project End Date:	The project end date is 30 th June 2028
Project Manager:	The project manager is Eng.J. M. Kung'u
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	6768-KE
Strategic goals of the project	The strategic goals of the project are as follows: (i) To improve: (a) the movement of people and goods and digital connectivity and access to social services to communities at designated locations along the targeted sections of the Isiolo-Mandera Regional Road Corridor; and (b) the capacity of selected transport related institutions in Kenya.
Other important background information of the project	Facilitation of Regional Trade and Transport
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, transforming MTD into a SAGA, transforming MTRD a SAGA
Project duration	The project started on 22 nd Dec. 2020 and is expected to run until 30 th June 2028

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PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

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

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.

Names	Title designation	Key qualification	Responsibilities
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 8 (eight) years from 2020 to 2028 with an approved budget of EURO 47,193,538.39 equivalent to KShs 5,735,469,600 as highlighted in the table below:

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2021)		Undrawn balance to date	
	Donor currency	KShs	Donor currency KShs	KShs	Donor currency KShs	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
(i) Loan	€1=K.sh.121.53					
World Bank (IDA)	40,300,000	4,897,692,200	150,000	19,678,155	40,150,000	4,878,014,045
(ii) Counterpart funds						
Government of Kenya	6,893,538	837,777,400	-	-	6,893,538	837,777,400
Total	47,193,538	5,735,469,600	150,000	19,678,155	47,043,538	5,715,791,445

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PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2021)		Cumulative Amount paid to date – (30 th June 2021)	Unutilised balance to date (30 June 2021)	
	Donor currency (EURO) (A)	Kshs (A')		Donor currency (A)-(B)	Kshs (A')-(B')
(i) Loan					
World Bank (IDA)	150,000	19,678,155	4,090,058	118,993	15,588,097
(ii) Counterpart funds					
Government of Kenya					
Total	150,000	19,678,155	4,090,058	118,993	15,588,097

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.8 Summary of Overall Project Performance:

i) Budget performance against actual amounts for current year and for cumulative to-date, In the current year, the project utilized approximately 20% of the actual funds received to settle consultancy obligations. This low absorption is due to the fact that these funds were received late into the Financial Year.

Budget	FY 2020/2021		
	Actual	Budget	%
Loan (World Bank-IDA)	19,678,155	80,000,000	25%
Loan (IDA Direct Payment)	-	-	-
Counterpart Funds-GOK	-	-	-
TOTAL	19,678,155	80,000,000	25%

ii) Physical progress based on outputs, outcomes and impacts since project commencement, The project has just started hence we cannot be able to measure any outputs and outcomes

iii) Comment on value-for-money achievements, All activities implemented through this project are expected to 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.

Absorption rate	FY 2020/2021		
	Budget	Actual	%
Compensation of employees	30,00,000	4,090,058	14%
Purchase of goods and services	50,000,000	-	0%
ccounterpart Funds-GOK	-	-	-
TOTAL	80,000,000	4,090,058	5%

v) List the implementation challenges and recommended way forward.

No challenges encountered so far

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1.9 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 cases of non-compliance.

- ii) Include consequences suffered on account of non-compliance or likely to be suffered.

-There was no case of non-compliance hence no consequences suffered.

- 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.

The key development objectives of the *project's agreement/* plan are to:

Improve:

- a) the movement of people and goods along the Isiolo-Mandera Regional Road Corridor
- b) digital connectivity along the Isiolo-Mandera Regional Road Corridor
- c) access to social services to communities at designated locations along the targeted sections of the Isiolo-Mandera Regional Road Corridor and
- d) Improve the capacity of selected transport related institutions in Kenya

Project Development Objective (PDO)

The objectives of Horn of Africa Gateway Development Project (HoAGDP) are to improve: (a) the movement of people and goods and digital connectivity and access to social services to communities at designated locations along the targeted sections of the Isiolo-Mandera Regional Road Corridor; and (b) the capacity of selected transport related institutions in Kenya.

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Progress on attainment of Strategic development objectives

Project	Objective	Outcome	Indicator
- Horn Of Africa Gateway Development Project(HoAGDP)	- To improve the movement of people and goods along the Isiolo-Mandera Regional Road Corridor	- reduced travel time between Isiolo to Modogashe; and Wajir to Elwak, disaggregated by passengers and freight; - Increased public transport service providers along Isiolo-Modogashe and Wajir-Elwak - Reduced road crash fatalities between Isiolo-Mandera road section -Reduced time taken to cross borders	- Average Travel time between Isiolo to Modogashe; and Wajir to Elwak, disaggregated by passengers and freight; - Number of public transport service providers along Isiolo-Modogashe and Wajir-Elwak - Number of road crash fatalities between Isiolo-Mandera road section (per 1,000 vehicles) - Average time to cross target border crossing -
-	- To improve digital connectivity along the Isiolo-Mandera Regional Road Corridor	- Reduced processing time at border crossing for freight trucks and passenger vehicles -Increased online public services used by communities along the corridor	- Road Management Information System utilized for decision making and setting performance targets; - Number of online public services used by communities along the corridor per month;

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			- Average processing time at border crossing for freight trucks and passenger vehicles
	- To improve access to social services to communities at designated locations along IsioloMandera road	-increased provision of basic services such as School, Market, health clinic constructed, and services provided - Increased number of women and children utilizing the improved social services (Social/Gender disaggregated)	- Number of social infrastructure and service provided - Number of women and children utilizing the improved social services (Social/Gender disaggregated)
	- To improve the capacity of selected transport related institutions in Kenya	- Enhanced project oversight	- Number of Kenyan trained in new skills

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 Horn of Africa Gateway Development 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 Horn of Africa Gateway Development 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.

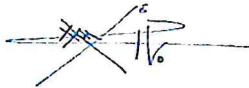
The Principal Secretary for the State department of Infrastructure and the Project Coordinator for Horn of Africa Gateway Development Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended 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 Horn of Africa Gateway Development 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.

Horn of Africa Gateway Development Project (HoAGDP)
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The Principal Secretary for the State department of Infrastructure and the Project Coordinator for Horn of Africa Gateway Development 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 Horn of Africa Gateway Development Project on _____ 2021 and signed by them.



Principal Secretary

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



Project Coordinator

Eng. J. M. Kung'u

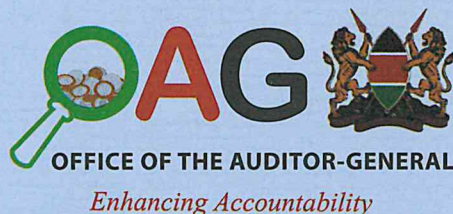


Project Accountant:

CPA Elizabeth Adhiambo
ICPAK Member No: 9045

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON HORN OF AFRICA GATEWAY DEVELOPMENT PROJECT FOR THE YEAR ENDED 30 JUNE, 2021 - STATE DEPARTMENT FOR INFRASTRUCTURE

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, 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 Horn of Africa Gateway Development Project set out on pages 1 to 18, which comprise the statement of financial assets as at 30 June, 2021, and the statement of receipts and payments, statement of cash flow and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Horn of Africa Gateway Development Project as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and Financing Agreement for Credit No.6768-KE dated 7 October, 2020 between International Development Association (IDA) and the Government of the Republic of Kenya.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.80,000,000 and Kshs.19,678,155 respectively resulting to a shortfall of Kshs.60,321,845 or 75% of the budget. In addition, out of the Kshs.19,678,155 received, only Kshs.4,090,058 was utilized leaving the balance of Kshs.15,588,097 unspent.

*Report of the Auditor-General on Horn of Africa Gateway Development Project for the year ended 30 June, 2021-
State Department for Infrastructure*

The underfunding and failure to utilize the realized funds may lead to the project's activities not being fully implemented.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Lack of Approved Annual Work Plan for the Project

Section 1(E) of the financing agreement requires the implementing entity to prepare and furnish International Development Association (IDA) with a consolidated work plan and budget for the project not later than 31 March of each fiscal year beginning in the year 2021. It further provides that, the consolidated work plan/budget shall contain all activities proposed to be implemented under the project and the related financing. However, management did not present for audit the consolidated work plan/budget approved for implementation by the Association.

In the circumstances, Management did not fully comply with the terms of the financing agreement.

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 financing agreement for Credit No. 6768-KE 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 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 intentions 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

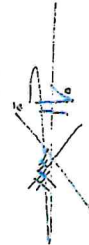
06 December, 2021

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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	KShs	
RECEIPTS								
Loan from external development partners	1	19,678,155	-	19,678,155	-	-	19,678,155	
Miscellaneous receipts		-	-	-	-	-	-	
TOTAL RECEIPTS		19,678,155	-	19,678,155	-	-	19,678,155	
PAYMENTS								
Compensation of employees	2	4,090,058	-	4,090,058	-	-	4,090,058	
Purchase of goods and services	3	-	-	-	-	-	-	
TOTAL PAYMENTS		4,090,058	-	4,090,058	-	-	4,090,058	
SURPLUS/ (DEFICIT)		15,588,097	-	15,588,097	-	-	15,588,097	

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, F.A.A.K, MKIP



Project Coordinator

Eng. J. M. Kung'u



Project Accountant:

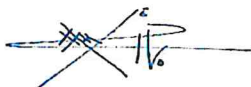
CPA Elizabeth Adhiambo
 ICPAK Member No: 9045

Horn of Africa Gateway Development Project (HoAGDP)
Reports and Financial Statements
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7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

	Note	2020-2021	2019-2020
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	4.A	15,588,097	-
Total Cash and Cash Equivalents		15,588,097	-
TOTAL FINANCIAL ASSETS		-	-
REPRESENTED BY			
Surplus/(Deficit) for the year		15,588,097	-
NET FINANCIAL POSITION		15,588,097	-

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, F.A.A.K, MKIP

Date:



Project Coordinator

Eng. J. M. Kung'u

Date:



Project Accountant

CPA Elizabeth Adhiambo
 ICPAK Member No: 9045

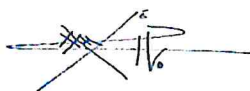
Date:

Horn of Africa Gateway Development Project (HoAGDP)
 Reports and Financial Statements
 For the financial year ended June 30, 2021

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

		2020-2021	2019-2020
	Note	KShs	KShs
CASHFLOW FROM OPERATING ACTIVITIES			
Payments from operating activities			
Compensation of employees	2	4,090,058	-
Purchase of goods and services	3	-	-
Net cash flow from operating activities		4,090,058	-
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets		-	-
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	1	19,678,155	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		15,588,097	-
Cash and cash equivalent at BEGINNING of the year	4	-	-
Cash and cash equivalent at END of the year	4	15,588,097	-

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, F.A.A.K, MKIP

Date:



Project Coordinator

Eng. J. M. Kung'u

Date:



Project Accountant

CPA Elizabeth Adhiambo
 ICPAK Member No: 9045

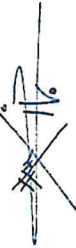
Date

*Horn of Africa Gateway Development Project (HoAGDP)
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 Utilization f=d/c %
Receipts						
Proceeds from borrowings	0	80,000,000	80,000,000	19,678,155	60,321,845	25%
Miscellaneous receipts						
Total Receipts	0	80,000,000	80,000,000	19,678,155	60,321,845	25%
Payments						
Compensation of employees	0	30,000,000	30,000,000	4,090,058	25,909,942	14%
Purchase of goods and services	0	50,000,000	50,000,000	-	50,000,000	0%
Total Payments	0	80,000,000	80,000,000	4,090,058	75,909,942	5%

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, F.A.A.K, MKIP



Project Coordinator

Eng. J. M. Kung'u



Project Accountant

CPA Elizabeth Adhiambo
ICPAK Member No.9045

Date:

Date:

Date:



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.

Significant Accounting Policies (Continued)

k) Pending bills

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

l) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are 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, no loan disbursements was received in form of direct payments from third parties.

Significant Accounting Policies (Continued)

n) Exchange rate differences

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

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
Loans Received from Multilateral Donors (International Organizations)						
World Bank (IDA)	22-Jun-21	150,000	19,678,155	-	19,678,155	-
Total		150,000	19,678,155		19,678,155	-

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
Remuneration of Employees	4,090,058	-	4,090,058	-	4,090,058
Total	4,090,058	=	4,090,058	=	4,090,058

Horn of Africa Gateway Development Project (HoAGDP)
 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
Training payments	-	-	-	-	-
Hospitality supplies and services	-	-	-	-	-
Insurance costs	-	-	-	-	-
Specialized materials and services	-	-	-	-	-
Other operating payments	-	-	-	-	-
Routine maintenance – vehicles and other transport equipment	-	-	-	-	-
Routine maintenance- other assets	-	-	-	-	-
Exchange rate losses/gains (net)	-	-	-	-	-
Total	=	=	=	=	=

4. CASH AND CASH EQUIVALENTS

	2020/21	2019/20
	KShs	KShs
Bank accounts (Note 11A)	15,588,097	-
Total	15,588,097	=

The project has 1 number of project accounts spread within the project implementation area and 1 number of 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
Local Currency Accounts		
Central Bank of Kenya [A/c No:1000477946]	15,588,097	-
Total bank account balances	15,588,097	=

Horn of Africa Gateway Development Project (HoAGDP)
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 30th 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

	2020/21	2019/20
	KShs	KShs
(i) A/C Name [A/c No: 1000474858]		
Opening balance	€5,000,000	-
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>€150,000</u>	-
Closing balance (as per SDA bank account reconciliation attached)	<u>€4,850,000</u>	=
(ii) A/c Name [A/c No: 1000474858]		
Opening balance (as per the SDA reconciliation)	5,000,000	-
Total amount deposited in the account	5,000,000	-
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>150,000</u>	-
Closing balance (as per SDA bank account reconciliation attached)	<u>4,850,000</u>	=

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

Horn of Africa Gateway Development Project (HoAGDP)
Reports and Financial Statements
For the financial year ended June 30, 2021

5. FUND BALANCE

	2020/21	2019/20
	KShs	KShs
Bank accounts	15,588,097	-
Cash in hand	-	-
Total	15,588,097	-

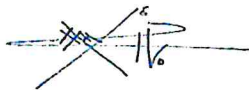
12. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR’S RECOMMENDATIONS

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)
	Project is audited for the first time			

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

Horn of Africa Gateway Development Project (HoAGDP)
Reports and Financial Statements
For the financial year ended June 30, 2021

13. ANNEXES

ANNEX1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	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					
Proceeds from borrowings	80,000,000	19,678,155	60,321,845	25%	
Miscellaneous receipts	-	-	-	-	
Total Receipts	80,000,000	19,678,155	60,321,845	25%	
Payments					
Compensation of employees	30,000,000	4,090,058	25,909,942	14%	
Purchase of goods and services	50,000,000	-	50,000,000	0%	
Total payments	80,000,000	4,090,058	75,909,942	5%	

Note:

5% Low absorption was due to exchequer which was released late by Treasury hence not much activities such as conferences, trainings and movement among other activities would have been achieved

Horn of Africa Gateway Development Project (HoAGDP)
Reports and Financial Statements
For the financial year ended June 30, 2021

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

Horn of Africa Gateway Development Project (HoAGDP)
Reports and Financial Statements
For the financial year ended June 30, 2021

APPENDICES

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th 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 2020/21

BANK RECONCILIATION

HORN OF AFRICA ACCOUNT STATION -MOR -HQ
HORN OF AFRICA ACCOUNT NO. 1000477946

	KShs.	KShs.	KShs.
Balance as per bank certificate			19,678,155.00
Less:			
1 Payments in cash book not yet recorded in bank statement	4,090,058.00		
2 Receipts in bank statement not yet recorded in cash book	-	4,090,058.00	
Add:			
3 Payments in bank statement not yet recorded in cash book	-		
4 Receipts in cash book not yet recorded in bank statement	-		
Balance as per the cash book			15,588,097.00

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

HORN OF AFRICA GATEWAY DV PJ CR6768-KES ACCOUNT NO. 1000477946**BANK RECONCILIATION AS AT 30.06.2021****PAYMENTS IN CASHBOOK NOT IN BANK STATEMENT**

S/NO.	DATE	PV NO	PAYMENT PARTICULARS	AMOUNT
1	7-Jul-21	4039	JUDITH CHELANG'AT KERICH	802,995.15
2	6-Jul-21	4039	PAYE	333,259.85
3	7-Jul-21	2908	JAMES WACHIRA THEURI	909,869.25
4	6-Jul-21	2908	PAYE	379,063.00
5	7-Jul-21	4038	JAMES WACHIRA THEURI	1,173,026.25
6	6-Jul-21	4038	PAYE	491,844.60
	Totals			4,090,058.00

HORN OF AFFRICA ACCOUNT NO. 1000477946 BANK RECONCILIATION
PAYMENTS IN CASH BOOK NOT RECORDED IN BANK STATEMENT
AS AT 30TH JUNE 2021

4,090,058.00

HORN OF AFFRICA ACCOUNT NO. 1000477946 BANK RECONCILIATION
RECEIPTS IN CASHBOOK STATEMENT NOT YET RECORDED IN BANK STATEMENT

AS AT 30TH JUNE 2021

DATE	REF: NO	RECEIPT PARTICULARS	AMOUNT (KSHS)
			-
			-
		TOTAL	-



Date 30 06 2021

Report of the Board of Survey on the Cash and Bank Balances of HQS
STATE DEPT. FOR INFRASTRUCTURE – HORN OF AFRICA GATEWAY DV PJ CR6700

business on... 30/06 2021

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

MR SILVESTER LIECH	HEAD ICT	CHAIRMAN
MR CYRUS NJAU	PRINCIPAL	SECRETARY
MR MARTIN MOSIRIA	SPFO	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 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. 15,588,096.90
	15,588,096.90

NINETEEN MILLION, SIX HUNDRED AND SEVENTY EIGHT THOUSAND ONE HUUNDRED AND FIFTYFIVE CTS NIL

The Bank Certificate of Balance showed a sum of Sh (19,678,155.00)

cts. NIL : SHS

standing to the credit of the account on 30TH 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.

Chairman.

Members of the board.

Date

**HORN OF AFRICA GATEWAY DEVELOPMENT PROJECT - SDOI
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2021**

Credit No.: IDA LOAN CREDIT NO.67680-KE (DA-E)
Bank Account No.: 1000474856 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EURO	AMOUNT EURO
1	Amount advanced by IDA		5,000,000.00
	Less:		-
2	Total amount documented		5,000,000.00
3	Outstanding amount to be documented		
	Represented by:		4,850,000.00
4	Ending Special account Balance as as 30 June 2021		
5	Amounts claimed but not credited as at 30 June 2021		150,000.00
6	Amounts withdrawn and not claimed		-
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		5,000,000.00
9	Total advance to Special Account Year ended 30 June 2021		

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

Signature

**AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY**

DATE: 30-07-2021

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SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2021
Account No.	1000474858
Depository Bank	CENTRAL BANK OF KENYA
Address	CBK
Related Loan	HOAGDP- SDCI
Credit Agreement	
Currency	EUR

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	5,000,000.00
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	150,000.00
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June,2021	4,850,000.00

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: _____

DATE 30.07.2021

**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.



Run Date: 19/07/2021 Run Time: 12:39:14
CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2020 To

STATEMENT OF ACCOUNT PAGE NO :
 ACCOUNT NUMBER : 1000474858
 ACCOUNT TITLE : HOAGDP- SDO
 30/06/2021

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE	
OPENING BAL :			0.00			
NO.	Value Date	Refernce.No	Details	Debit	Credit	Balance
1	13/05/2021	FT2113359KZ5	FUNDING	0.00	5,000,000.00	5000000
2	03/06/2021	FT211547JTT1		-150,000.00	0.00	4850000
				CLOSING BALANCE : 4850000		

END OF ACCOUNT STATEMENT

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

[Clear Selection](#)

Account 1000474858

Statement From 20200701

Statement To 20210630

TAM.E.STMT.OF.ACCT.EPRM

Client Connection

Loan: IDA 67680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P161305 - HORN OF AFRICA GATEWAY DEVELOPMENT PROJECT

[Loan Overview](#) | [Disbursements](#) | [History](#) | [Repayments](#) | [Amortization Schedule](#) | [Audit Submission](#)
[Applications](#) | [eSignatorie\(s\)](#) | [Beneficiaries](#) | [Designated/UN Accounts](#) | [Category Schedule](#) |
Designated Account Detail- DA-E**Account Details**

Account Holder	HORN OF AFRICA GATEWAY DEVELOPMENT	DA Currency	EUR
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	5,000,000.00
Account Number	XXXXXXXX58	Display	Associated Categories 2A - (GDS,WKS,NC,TR CS prt D.2 SDOI)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	

Transaction Details

Currency (EUR) View Transaction List

Total Deposits Less Refunds	5,000,000.00
Documented	0.00
Outstanding Balance	5,000,000.00
Waived Documentation Amount	0.00
Transaction in Process	0.00



Client Connection

Loan: IDA 67680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

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Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Audit Submission

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Withdrawal Applications

Disbursement Milestone

Loan Approval Date 08-Sep-2020	Loan Signing Date 07-Oct-2020	Loan Made Effective 22-Dec-2020	Authorized Signatories Submitted to WB 21-Jul-2021	Authorized Signatories Approved 21-Jul-2021	Loan is Ready for Disbursing Online 31-Jul-2021
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Submit Withdrawal Application

Transaction List

Showing results 1 - 10 of 10 entries

Filter by DA-E

Paid Summary

Value Date

Search

Borrower Reference	Application					Paid		Date received	Value Date	Logged by	Last Updated
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount				
HOAGDP SDOI WA 01	DA-E	Completed	EUR	5,000,000.00	DA-E	EUR	5,000,000.00	04-May-2021	12-May-2021	Borrower	12-May-2021



Loan: IDA 67680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P161305 - HORN OF AFRICA GATEWAY DEVELOPMENT PROJECT

Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Audit Submission

Applications | eSignatorie(s) | Beneficiaries | Designated/UN Accounts | Category Schedule |

Withdrawal Applications

Disbursement Milestone

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Submit Withdrawal Application

Transaction List

Showing results 1 - 10 of 10 entries

Filter by DA-E

Documented C

Value Date

Search

Borrower Reference	Application					Paid		Date received	Value Date	Logged by	Last Updated
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount				
HOAGDP SDOI WA 01	DA-E	Completed by WB	EUR	5,000,000.00	DA-E		0.00	10-Feb-2021		Elizabeth Adhiambo	12-May-2021

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

