

Enhancing Accountability

REPORT

OF

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 18 FEB 2021

DAY:
THURSDAY

THE AUDITOR-GENERAL

LOM

ON

Anne Musandu

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

**FOR THE YEAR ENDED
30 JUNE, 2020**

**INFORMATION AND COMMUNICATION
TECHNOLOGY AUTHORITY**





OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
22 DEC 2020
RECEIVED

PROJECT NAME: EASTERN AFRICA REGIONAL TRANSPORT, TRADE AND DEVELOPMENT FACILITATION PROJECT (EARTTDFP)

IMPLEMENTING ENTITY: THE INFORMATION & COMMUNICATIONS TECHNOLOGY AUTHORITY (THE ICT AUTHORITY)

PROJECT GRANT/CREDIT NUMBER: IDA Credit No.: 5638-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 FEB 2021	DAY: THURSDAY
TABLED BY:	LOM
CLERK-AT-THE-TABLE:	Anne Musandu

CONTENTS

PAGE

1. PROJECT INFORMATION AND OVERALL PERFORMANCE.....	ii
2. STATEMENT OF PERFORMANCE AGAINST PROJECT’S PREDETRMINED OBJECTIVES.....	ix
3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	xi
4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES.....	xiv
5. REPORT OF THE INDEPENDENT AUDITORS ON THE EARTTDF PROJECT.....	ii
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30 JUNE 2020.....	1
7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2020.....	1
8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020.....	3
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS.....	4
10. NOTES TO THE FINANCIAL STATEMENTS.....	5
11 PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR’S RECOMMENDATIONS.....	16
12. ANNEXES.....	17

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is Eastern Africa Regional Transport, Trade and Development Facilitation Project

Objective: The key objective of the project is:

- (i) contribute to extend the geographic reach of broadband networks including enhanced international connectivity for both South Sudan and Kenya, and
- (ii) Contribute to improved delivery of public services.

Overall Project

The South Sudan - Eastern Africa Regional Transport, Trade and Development Facilitation Program (EARTTDFP) is a regional initiative agreed and jointly financed by the Government of Kenya and the International Development Association. The program has several goals namely to:

1. Support the fisheries development in Lake Turkana, as well as irrigation and animal resources in the north-western of Kenya by providing access to markets in the larger cities in Kenya;
2. Contribute to economic growth in the region through increased trade and better access for landlocked countries to the port of Mombasa;
3. Fully integrate the underdeveloped North-Western parts of Kenya into the larger Kenyan economy and serve the restoration and development of the South Sudan economy by promoting and facilitating regional economic integration between South Sudan and East African neighboring countries;
4. Provide alternative direct road access to the port of Mombasa for south Sudan's export/imports (without transiting another country), as well as facilitating reconstruction efforts in all sectors in South Sudan;
5. Enhance service delivery and at the same time attract development and road side businesses in the less developed areas of the road corridor within the two economies.

Project Activities- ICT Component

To enhance internet connectivity through construction of high capacity fibre optic cable and associated connections alongside the Eldoret to Nadapal- Nakodok road with provision for fibre spurs and rings to connect schools, hospitals, other strategic locations including pastoralist road side markets, export processing zones, rest stops, community centres and service centres along the Nadapal- Nakodok road.

Address: The project headquarters offices are Nairobi City, Nairobi County, Kenya.

The address of its registered office is:

Telposta Towers, 12th Floor
Kenyatta Avenue
P. o Box 27150-00100
Tel: +254-20-2089061
Nairobi, Kenya
Email: communications@ict.go.ke
Website: www.icta.go.ke

The project also has no offices/branches.

Contacts: The following are the project contacts:

Telephone: (254) 20 2089061
E-mail: communications@ict.go.ke
Website: www.icta.go.ke

1.2 Project Information

Project Start Date:	The project start date is 16.11.2015
Project End Date:	The project end date is 21.12.2021
Project Manager:	The project manager is Mr. Thomas Odhiambo
Project Sponsor:	The project sponsor is World Bank

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Information and Communication Technology Ministry.
Project/ Credit Number:	IDA- P148853 Credit No. 56380- KE
Strategic goals of the project	The strategic goals of the project are as follows: 1- Contribute to extend the geographic reach of broadband networks including enhanced international connectivity for both South Sudan and Kenya, and 2- Contribute to improved delivery of public services.
Achievement of strategic goals	The project management aims to achieve the goals through the following means: 1- Construction of approximately 600Km of high capacity fiber optic cable and associated ductwork to be laid alongside the road from Eldoret to Nadapal-Nakodok;

	2- Fiber spurs and rings to connect schools, hospitals, other strategic locations including pastoralist road side markets, export processing zones, rest stops, community centers and service centers along the corridor in the project area as part of integrated infrastructure development and smart roads network.
Other important background information of the project	The project: <ul style="list-style-type: none"> ▪ This project is being executed under the South Sudan - East Africa Regional Transport, Trade and Development Facilitation (SS-EARTTDF) Program which is aimed at enhancing regional connectivity of South Sudan with its Eastern Africa neighboring countries and improving access to the Mombasa sea port.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: <ul style="list-style-type: none"> ▪ Support Kenya’s economic development strategy and address the mounting pressures to enhance connectivity of the northern parts of the country and South Sudan to the rest of the Country and more so to the Port of Mombasa.
Project duration	The project started on November 16, 2015 and is expected to run until December 21, 2021.

1.4 Bankers

The following are the bankers for the current year:

Citibank NA
Citibank House, Upper Hill Road’
P.O Box 30711-00100
TEL: +254-20-2711221
NAIROBI, KENYA

1.5 Auditors

The project is audited by the Office of the Auditor General.

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.

Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDP)
Reports and Financial Statements
For the financial year ended June 30, 2020

Names	Title designation	Key qualification	Responsibilities
Thomas Odhiambo	Head, PMO	MSc Information Systems experience in project implementation	Team Leader and Project Manager
Dr. Njogu Kimando	Head, Planning M&E	PhD, Entrepreneurship	M&E Specialist
Oliver Pyoko	Manager, Finance	CPA (K)	Accounting Specialist
Sostanis Okoth	Manager, Procurement	BSc KISM	Procurement Specialist
Antony Lenaiyara	Special Projects Lead	BSc Telecommunications	Project Lead
Elijah Cheruiyot	Engineer Networks	BSc ICT Certifications	Technical Lead
Brian Kariuki	Special Projects Officer	BSc Electrical Engineering	Project Team Member
Edmond Wandera		MPA (e-Government) BBIT CEH, ECSA	ICT Security
Charles Simiyu	Project Assistant	BSc Project Management	Project Support

1.7 Funding summary

The Project is for a duration of 6 years from 2015 to 2021 with an approved budget of US\$ 29.5 million (use donor currency) equivalent to KShs 2.95 Billion as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date - (30 06 2020)		Undrawn balance to date (30 06 2020)	
	<i>Donor currency</i>	<i>KShs</i>	<i>Donor currency</i>	<i>KShs</i>	<i>Donor currency</i>	<i>KShs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
World Bank (IDA)	25,500,000	2,575,755,000	3,192,974	325,831,189	22,307,026	2,249,923,811
(ii) Counterpart funds						
Government of Kenya	4,000,000	404,040,000	0	0	4,000,000	404,040,000
Total	29,500,000	2,979,795,000	3,192,974	325,831,189	26,307,026	2,653,963,811

1.8 Summary of Overall Project Performance:
Project Performance

- The actual expenditure for the period totaled to KShs 131,421,321 against a budget of KShs 150 million for the financial year 2019/2020 giving a positive variance of KShs 18,578,659. The total expenditure to-date is KShs 314,326,392.
- The rehabilitation of the existing Fibre Optic Cable from Eldoret to Nadapal has been completed up to Lodwar with 399.6 Km of 24-core fibre fully rehabilitated. Quality and reliable service is now available in Lodwar with Licensed operators taking up capacity from ICTA and government offices including the Huduma Centre in Lodwar enjoying premium connectivity and internet services. The implementation of the wireless link between Lodwar (Luterere hills) and Nadapal is currently-on-going.

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

Link Name	Output Link Distance (Km)	Outcome	Impact
Eldoret - Kitale	71.2	24-core fibre Link is now operational Facilitating broadband connectivity along Eldoret to Lodwar for internet, email , communications	Efficient and effective reliable connectivity for Government, educational and health institutions, businesses and Telcos
Kitale - Kapenguria	42.7	24-core fibre Link is now operational Facilitating broadband connectivity along Eldoret to Lodwar for internet, email , communications	Efficient and effective reliable connectivity for Government, educational and health institutions, businesses and Telcos
Kapenguria - Kainuk	101.8	24-core fibre Link is now operational Facilitating broadband connectivity along Eldoret to Lodwar for internet, email , communications	Efficient and effective reliable connectivity for Government, educational and health institutions, businesses and Telcos
Kainuk - Lokichar	86.7	24-core fibre Link is now operational Facilitating broadband	Efficient and effective reliable connectivity for Government, educational and health

Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDP)
Reports and Financial Statements
For the financial year ended June 30, 2020

Link Name	Output Link Distance (Km)	Outcome	Impact
		connectivity along Eldoret to Lodwar for internet, email , communications	institutions, businesses and Telcos
Lokichar - Lodwar	97.2	Facilitating broadband connectivity along Eldoret to Lodwar for internet, email , communications	Efficient and effective reliable connectivity for Government, educational and health institutions, businesses and Telcos
Sub-Total	399.6	24-core fibre Link is now operational Facilitating broadband connectivity along Eldoret to Lodwar for internet, email , communications	Efficient and effective reliable connectivity for Government, educational and health institutions, businesses and Telcos
Luterere - Nadapal	327	Frequency identified and license issued by CA Equipment assembly being finalized	24-core high capacity reliable link from Eldoret to Lodwar available for internet, email , communications for Government, educational and health institutions, businesses and Telcos
Installation of 144-core Fibre link from Eldoret to Nadapal	623		

Value-for-money achievements

The rehabilitation of the 24-core fibre will allow efficient, effective and reliable communication between Eldoret and Lodwar as the main link 144-core fibre is being installed thus ensuring added value for uses as the main cable is being installed.

Absorption rate for each year since the commencement of the project is shown below:

FY	Actual Received	Expenditure	Absorption rate
2016/2017	76,595,883.00	17,477,950.00	23%
2017/2018	-	40,927,785.00	100%
2018/2019	125,558,384.75	124,499,335.95	99%
2019/2020	123,676,921.00	131,421,320.80	106%
Totals	325,831,188.75	314,326,391.75	

Implementation challenges

- Delays in issuance of exchequer releases and
- Slow rate of reimbursements, typically 3 months, and typical figures less than 100 million. At this rate the Government will require 60 Months to absorb the outstanding balance.

Recommendations

- Budgetary allocation should be sufficient
- Government should provide for its share of contributions with one year to go before project expiry
- The Government should allow for direct payment to contractors to speed up absorption and cut-out the tedious red tape in fund disbursements

1.9 Summary of Project Compliance:

All project requirements have been complied with.

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

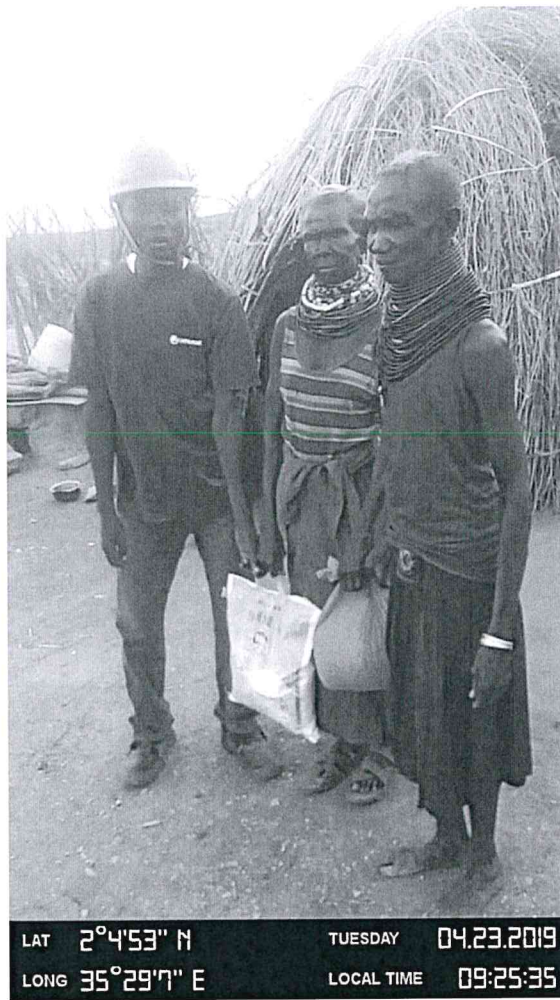
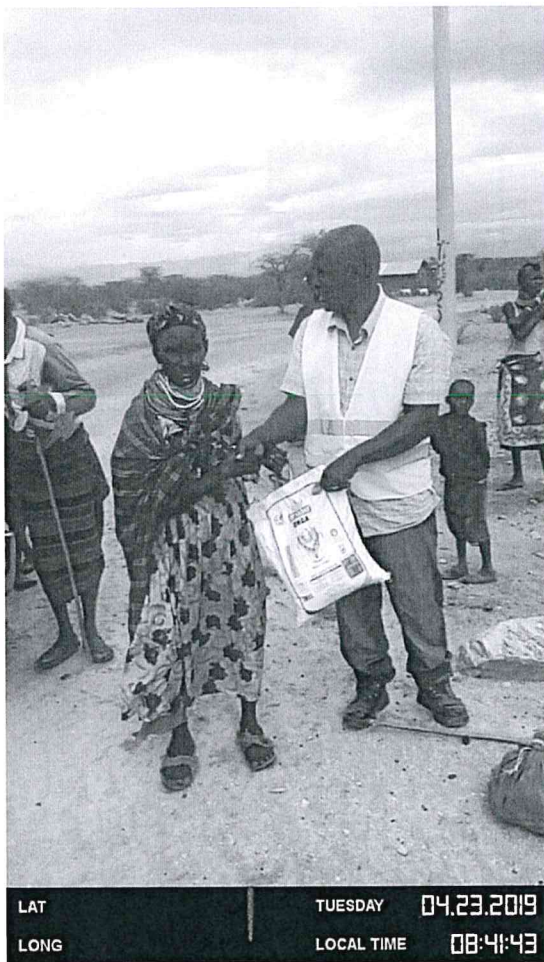
This is about how ICTA takes account of its economic, social and environmental impact in the way it operates as a public organization. By demonstrating our commitment to corporate social responsibility (CSR), we aim to align our values, purpose and strategy with the needs of our employees, Local community and society at large, while embedding such responsible and ethical principles into everything we do.

Though the Authority does not have a CSR policy in place, we endeavor to have one in place in the near future. Nevertheless, as a parastatal, our dealing with our clients, suppliers and the local community principles in an effort to support reducing our energy, procurement, transport, water use and other business usage to reduce our carbon footprint and environmental impact.

We endeavor to reduce the environmental impact by reducing all our transportation requirements whether possible and use such facilities as web-ex and conference call facilities. We use vehicles that are regularly services and checked with regards to their emission levels and economically use their fuel. We also source and buy our requirements locally to promote the local industries. We have also sensitized staff to ensure that all lights and equipment is switched off when not required and ensuring that water is used efficiently. Other measures include printing in double sided and recycling waste.

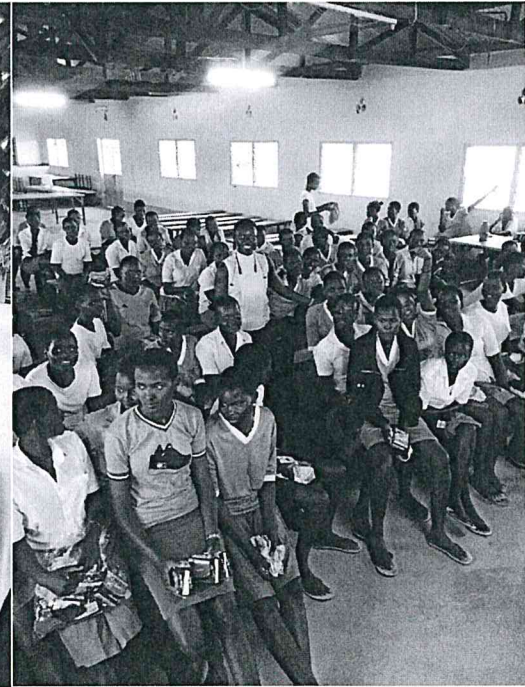
On local community, the authority ensures that our work with the local community involves working and supporting local and national charities and encouraging volunteer work in community activities. The Authority will also ensure that we deal responsibly, openly and fairly with suppliers by ensuring that we use local suppliers as much as possible and that we will endeavor to pay them on time. The Authority will continue to forge public private partnership when undertaking the activities in order to ensure we make a significant positive difference in the society.

The project team was involved in food distribution to vulnerable households. This was after it was announced that Turkana residents were faced with acute hunger due to delay in rainfall. Besides, one of the Turkana residents was trained in how to operate the trencher machine. This was to increase the capacity of the persons involved in our project.



Picture: Project team distributing food to Turkana Residents

- a. Formative research shows that 65% of women and girls in Kenya cannot afford Sanitary pads. This prevents the girls from going to school and prevents women from reporting to work. Due to this, Camusat Kenya organized a CSR drive which saw girls and women receive sanitary towels and undergarments. The sanitary towels and undergarments were distributed to women and girls in:
- Lochomoremoit (Gold) town
 - Uhuru girls' high school
 - AIC church- Lokichar



4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Directors of ICT Authority and the *Project Coordinator* for *EARTTDF project* are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors of ICT Authority and the *Project Coordinator* for *EARTTDF 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 Directors of ICT Authority and the *Project Coordinator* for *EARTTDF 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, 2020, and of the Project's financial position as at that date. The Directors of ICT Authority and the *Project Coordinator* for *EARTTDF 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.

The Directors of ICT Authority and the *Project Coordinator* for *EARTTDF 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 Board on 30 September 2020 and signed on their behalf by:



Chief Executive Officer



Project Coordinator



Project Accountant

5. REPORT OF THE INDEPENDENT AUDITORS ON THE EARTTDF PROJECT

REPUBLIC OF KENYA

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



Enhancing Accountability

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 (IDA CREDIT NO.5638-KE) FOR THE YEAR ENDED 30 JUNE, 2020 - INFORMATION AND COMMUNICATION TECHNOLOGY AUTHORITY

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Eastern Africa Regional Transport, Trade and Development Facilitation Project set out on pages 1 to 16, which comprise of the statement of financial assets as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the statement of comparative of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015 . I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Eastern Africa Regional Transport, Trade and Development Facilitation Project as at 30 June, 2020, 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 Financing Agreement Credit No. 5638-KE dated 20 July, 2015 between International Development Association and the Republic of Kenya and the Public Finance Management Act, 2020.

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

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

Emphasis of matter

1. Special Account Reconciliation

As disclosed under Note 10.3 to the financial statements, the statement of receipts and payments reflects proceeds from domestic and foreign grants of Kshs.123,676,921. However, this excludes amounts withdrawn but unclaimed of USD 30,573.03 equivalent to Kshs. 3,196,275 as at 30 June, 2020 reflected in the Project special account statement. The amount represents cumulative funds transfers to the Project bank account, but whose expenditure returns had not been submitted to The National Treasury by the close of the financial year.

2. Slow Project Funds Absorption

The Project commenced in November, 2015 with an estimated completion date of December, 2021. However, as reflected under the funding summary, out of the total commitment of Kshs.2,979,795,000 by IDA and the Government of Kenya, only Kshs.325,831,189 or 11% had been released to the Project as at 30 June, 2020. The Project is unlikely to fully achieve the intended objectives for the stakeholders.

My opinion is however not modified based on the effects of the matters described above.

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. I have determined that there were no key audit matters in the year under review.

Other Matter

Budget Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.150,000,000 and Kshs.123,676,921 respectively resulting to an under-funding of Kshs. 26,323,079 or 18% of the budget. Similarly, the Project expended Kshs.131,421,321 against an approved budget of Kshs.150,000,000 resulting to an under-expenditure of Kshs.18,578,679 or 12% of the budget.

The underfunding and underperformance affected the planned activities and may impact negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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 (IDA), except for the matters under other matter section of my report, I report based on my audit, that:

- i. I have not 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 not been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are not 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 overall governance.

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance, with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the 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 overall 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 overall 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 misstatement and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue 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's 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.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

30 December, 2020

Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDP)
Reports and Financial Statements
For the financial year ended June 30, 2020

1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30 JUNE 2020

	Note	2019/2020	2018/2019	Cumulative to-date (From inception)
		KShs	KShs	KShs
RECEIPTS				
Transfer from Government entities		-	-	-
Proceeds from domestic and foreign grants	10.3	123,676,921	125,558,385	325,831,189
Loan from external development partners		-	-	-
Miscellaneous receipts		-	-	-
TOTAL RECEIPTS		<u>123,676,921</u>	<u>125,558,385</u>	<u>325,831,189</u>
PAYMENTS				
Consultancy Services	10.4	-	1,000,001	32,332,295
Project staff salaries	10.5	6,666,000	26,976,113	43,265,535
Purchase of goods and services	10.6	13,254,039	4,025,389	22,588,003
Acquisition of non-financial assets	10.7	-	-	12,141,444
Rehabilitation Costs	10.8	111,501,282	92,497,833	203,999,115
Other grants and transfers and payments		-	-	-
TOTAL PAYMENTS		<u>131,421,321</u>	<u>124,499,336</u>	<u>314,326,392</u>
SURPLUS/(DEFICIT)		<u>(7,744,400)</u>	<u>1,059,049</u>	<u>11,504,797</u>

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


 Chief Executive Officer

Name: Dr. Katherine Getao, EBS


 Project Coordinator

Name: Thomas Odhiambo


 Project Accountant

Name: Oliver Pyoko
 ICPAK M.No.: 12558

*Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDP)
Reports and Financial Statements
For the financial year ended June 30, 2020*

2. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2020

	Note	2019/20	2018/19
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10.9	11,491,383	19,249,197
Imprests and Advances	10.10	14,117	
TOTAL FINANCIAL ASSETS		11,505,500	19,249,197

REPRESENTED BY:

Cash and cash equivalents b/fwd.		19,249,197	18,190,148
Surplus/Deficit for the year		-7,744,400	1,059,049
Liabilities	10.13	703	-
NET FINANCIAL POSITION		11,505,500	19,249,197

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on September 30, 2020 and signed by:


 Chief Executive Officer
 Date 30/09/2020


 Project Coordinator
 Date



 Project Accountant
 Date 30/09/2020
 ICPAK M.No.:12558

*Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDP)
Reports and Financial Statements
For the financial year ended June 30, 2020*


3. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020

	Note	2019/20 KShs	2018/19 KShs
Receipts for operating income			
Transfer from Government entities			
Proceeds from domestic and foreign grants		123,676,921.00	125,558,385
Miscellaneous receipts			
Payments for operating expenses			
Consultancy		-	1,000,001
Project staff salaries		6,666,000.00	26,976,113
Purchase of goods and services		13,254,038.90	4,025,389
Social security benefits		-	-
Rehabilitation Costs		111,501,281.90	92,497,833
Adjustment during the year			
Decrease/ (Increase) in Accounts receivables(Outstanding Imprest)		14,117.00	
Increase/ (Decrease) in Accounts Payables		(703.00)	
		131,434,735	124,499,336
Net cash flow from operating activities		(7,757,814)	1,059,049
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets-Purchase of Motor Vehicles		-	-
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(7,757,814)	1,059,049
Cash and cash equivalent at beginning of the year		19,249,196.80	18,190,148
Cash and cash equivalent at END of the year		11,491,383	19,249,197

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 September 30, 2020 and signed by:


 Chief Executive Officer
 Date 30/09/2020


 Project Coordinator
 Date 30/09/2020


 Project Accountant
 Date 30/09/2020
 ICPAK M.No:12558

Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDP)
Reports and Financial Statements
For the financial year ended June 30, 2020


4. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Supplementary Budget I	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c= a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities						
Proceeds from domestic and foreign grants	200,000,000	(50,000,000)	150,000,000	123,676,921	26,323,079	18%
Proceeds from borrowings			-			
Miscellaneous receipts			-			
Total Receipts	200,000,000	(50,000,000)	150,000,000	123,676,921	26,323,079	
Payments						
Rehabilitation of the Eldoret-Nadapal OFC	160,100,000	(45,100,000)	115,000,000	111,501,282	3,498,718	3%
Project Operations	8,500,000	6,500,000	15,000,000	7,215,312	7,784,688	52%
Project Consultants Salaries	27,000,000	(13,423,432)	13,576,568	6,666,000	6,910,568	51%
Project Communications Activities	1,100,000	(676,568)	423,432	423,432	-	100%
Capacity building and Institutional strengthening	3,300,000	2,700,000	6,000,000	5,615,295	384,705	6%
Total Payments	200,000,000	(50,000,000)	150,000,000	131,421,321	18,578,679	
				(7,744,400)	7,744,400	

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


Chief Executive Officer
 Date **30/09/2020**


Project Coordinator
 Date **30/09/2020**


Project Accountant
 Date **30/09/2020**
 ICPAK M.No:12558

5. NOTES TO THE FINANCIAL STATEMENTS

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

10.1 Basis of Preparation

10.1.1 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.

10.1.2 Reporting entity

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

10.1.3 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.

10.2 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.

- **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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **External Assistance**

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

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.

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.

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

- **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) Recognition of payments

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

- **Compensation of employees**

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

- **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)

- **Interest on borrowing**

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

- **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.

- **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.

c) 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.

d) 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

e) Accounts receivable

For the purposes of these financial statements, imprests and advances to authorized 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.

f) Contingent Liabilities

A contingent liability is:

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

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

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

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

g) 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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

h) 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.

i) Budget

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

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

j) 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 were received in form of direct payments from third parties.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) 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.

l) 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.

m) 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, 2020.

n) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.3 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2020 we received grants from donors as detailed in the table below

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs	
						2019/20	2018/19
		USD (\$)	KShs	KShs	KShs	KShs	KShs
The World Bank		1,184,153.93				123,676,921	125,558,385
Total		1,184,153.93				123,676,921	125,558,385

10.4 CONSULTANCY SERVICES

	2019/20			2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Consultancy Services	-	-	-	1,000,001	32,332,295
Total	-	-	-	1,000,001	32,332,295

10.5 COMPENSATION OF EMPLOYEES

	2019/20			2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
-					
Project staff salaries	6,666,000	-	6,666,000	26,976,113	43,265,535
Social benefit schemes outside government	-	-	-	-	-
Total	6,666,000	-	6,666,000	26,976,113	43,265,535

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.6 PURCHASE OF GOODS AND SERVICES

	2019/20			2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Domestic travel and subsistence	2,595,109	-	2,595,109	-	2,811,866
Foreign travel and subsistence	2,395,724	-	2,395,724	1,566,311	5,078,039
Training expenses	5,615,295	-	5,615,295	-	5,680,195
Hospitality supplies and services	290,601	-	290,601	516,483	1,338,602
Insurance costs	-	-	-	508,277	1,016,788
Other operating expenses	17,586	-	17,586	16,281	1,540,485
Routine maintenance-vehicle and other transport	1,916,292	-	1,916,292	1,418,037	3,492,360
Printing, advertising and - information supplies & services	423,432	-	423,432	-	1,629,669
Exchange rate losses/gains (net)	-	-	-		
Total	13,254,039	-	13,254,039	4,025,389	22,588,004

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.7 ACQUISITION OF NON-FINANCIAL ASSETS

	2019/20			2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Purchase of vehicles & other transport equipment	-	-	-	-	12,141,444
Total	-	-	-	-	12,141,444

The project purchased two vehicles in December 2016 to cater for transportation services for the project activities until the closure of the project.

10.8 REHABILITATION COSTS-(ELDORET-LOKICHOGIO, NADAPAL)

	2019/20			2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Rehabilitation Costs	111,501,282	-	111,501,282	92,497,833	203,999,115
Total	111,501,282	-	111,501,282	92,497,833	203,999,115

10.9 CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts (Note 9.9 A)	11,491,383	19,249,197
Cash in hand	-	-
Total	11,491,383	19,249,197

The project has one account and one foreign currency designated accounts managed by the National Treasury as listed below:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.9A Bank Accounts

Project Bank Accounts

	2019/20	2018/19
	KShs	KShs
Local Currency Accounts		
Citibank [A/c No 0300085035]	11,491,383	19,249,197
Total local currency balances	11,491,383	19,249,197
Special Deposit Account	USD	USD
Central Bank of Kenya [A/c No 1000243791]	816,622	-
Total local currency balances	816,622	-

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2020 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

	2019/20	2018/19
	USD	USD
(i) A/C Name: ICTA A/C 'D' [A/c No. 1000243791]		
Opening balance	-	402,107.60
Total amount deposited in the account	2,000,775.99	848,312.79
Total amount withdrawn (as per Statement of Receipts & Payments)	(1,184,153.93)	(1,250,420.39)
Closing balance (as per SDA bank account reconciliation attached)	816,622.06	-

The Special Deposit Account statement has been attached as *Appendix III* to support these closing balances.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.10 OUTSTANDING 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 2019/2020</i>	<i>Balance 2018/2019</i>
<i>Macklyn Otiu-ICT Authority</i>	100,400		86,283	14,117	-
Total	100,400		86,283	14,117	-

10.11 CHANGES IN RECEIVABLE

Description	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	6,927,370	1,149,426
Imprest surrendered during the Year (C)	(6,913,253)	(1,149,426)
Net changes in account receivables D= A+B-C	14,117	-

10.12 FUND BALANCE BROUGHT FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts	11,491,383	19,249,197
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	14,117	-
Total	11,505,500	19,249,197

10.13 LIABILITIES

Description	2019 - 2020	2018 - 2019
	KShs	KShs
Tax payable	544	-
Funds repayable	159	-
Total Liabilities	703	-

**Eastern Africa Regional Transport, Trade and Development Facilitation Project
(EARTTDP)**

Reports and Financial Statements

For the financial year ended June 30, 2020

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

The following is the summary of issues raised by the external auditor, the prior year auditor's recommendations, 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	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Annual Work plan and Budget.	The Annual work plan for 2017/2018 was not submitted to the donor. However, going forward, the annual work plan and Budget	PMO	Resolved	1 st May 2019
2.	Recruitment of Project staff	The recruitment process of the project staff was reviewed, and their contracts terminated.	Management	Resolved	1 st September 2019

Chief Executive Officer

Date

Kathy..
30/09/2020

Project Coordinator

Date

30/09/2020

*Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDP)
Reports and Financial Statements
For the financial year ended June 30, 2020*

**12. ANNEXES
ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

Receipts/Payments Item	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities					
Proceeds from domestic and foreign grants	150,000,000	123,676,921	26,323,079	18%	This is due to Delay in exchequer release on the budget
Proceeds from borrowings	-				
Miscellaneous receipts	-				
Total Receipts	150,000,000	123,676,921	26,323,079		
Payments					
Rehabilitation of the Eldoret-Nadapal OFC	115,000,000	111,501,282	3,498,718	3%	
Main Build Rehab Contracts and operations	-	-	-	0%	
Project Operations	15,000,000	7,215,312	7,784,688	52%	the operations were delayed due to the corona Pandemic
Project Consultants Salaries	13,576,568			51%	The project team trainings were delayed due to the Corona Pandemic.
Project Communications Activities	423,432	423,432	-	0%	
Capacity building and Institutional strengthening	6,000,000	5,615,295	384,705	6%	
Total Payments	150,000,000	131,421,321	18,578,679		
Surplus/(deficit)	-	(7,744,400)	7,744,400		

Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDP)
Reports and Financial Statements
For the financial year ended June 30, 2020

ANNEX 2 - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
Supply of goods						
1. Pevin Motors Ltd	31,550.20		31,006.20	544		2% Withholding VAT
2. Charles Simiyu				159		Unsurrendered imprest wrongly deposited in EARTTDF account
Grand Total						

*Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDP)
Reports and Financial Statements
For the financial year ended June 30, 2020*

ANNEX 3 - SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost	*Purchases/Additions in the Year	**Disposals in the Year	Transfers in/(out)	Closing Cost
	KShs 2019/20 (a)	KShs 2019/20 (b)	KShs 2019/20 (c)	KShs 2019/20 (d)	KShs 2019/20 (e)= (a)+ (b)- (c)+(-)d
Transport equipment	12,141,444	-	-	-	12,141,444
Total	12,141,444	-	-	-	12,141,444

*Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDP)
Reports and Financial Statements
For the financial year ended June 30, 2020*

APPENDICES

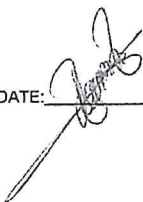
- i. Bank Reconciliations
- ii. Cash Count Certificate
- iii. Special Deposit Account statement

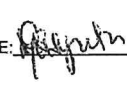
ICT Authority
 Telposta Towers 12th Floor, Kenyatta Ave
 PO Box 27150 - 00100 Nairobi Kenya
 Tel: +254 20 2089061/ 2211960 Fax: +254 20 2211960
 www.icta.go.ke
 info@icta.go.ke



EARTTDF

Bank Statement Date:	30-Jun-20	Currency: KES	Citi Bank	Bank Account No.	300085035
Ending Balance from Bank Statement					11,491,382.70
Add Deposits in Transit:					
<u>Deposit Date</u>	<u>Amount</u>	<u>Deposit Date</u>	<u>Amount</u>		
-	-	-	-		
-	-	-	-		
-	-	-	-		
Total Deposits in Transit					-
Subtotal					11,491,382.70
Subtract Outstanding Checks:					
<u>Date</u>	<u>Payee</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount</u>	
Total Outstanding Checks					-
Computed Book Balance					11,491,382.70
Balance as per Cash Book					11,491,382.70
Difference					0.00
Notes on difference					

PREPARED BY: SIGNATURE&DATE:  30/6/2020

REVIEWED BY: SIGNATURE&DATE:  30/6/2020

APPROVED BY: SIGNATURE&DATE:  30/6/2020

ICT Authority
 Telposta Towers 12th Floor, Kenyatta Ave
 PO Box 27150 - 00100 Nairobi Kenya
 Tel: +254 20 2089061/ 2211960 Fax: +254 20 2211960
 www.icta.go.ke
 info@icta.go.ke



EARTTDF

Bank Statement Date:	30-May-20	Currency: KES	Citi Bank	Bank Account No.	300085035
Ending Balance from Bank Statement					57,522,681.00
Add Deposits in Transit:					
<u>Deposit Date</u>	<u>Amount</u>	<u>Deposit Date</u>	<u>Amount</u>		
	-		-		
	-		-		
	-		-		
	-		-		
Total Deposits in Transit					-
Subtotal					57,522,681.00
Subtract Outstanding Checks:					
<u>Date</u>	<u>Payee</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount</u>	
Total Outstanding Checks					-
Computed Book Balance					57,522,681.00
Balance as per Cash Book					57,522,681.00
Difference					-
Notes on difference					

PREPARED BY:

SIGNATURE&DATE:

[Signature] 3/6/2020

REVIEWED BY:

SIGNATURE&DATE:

[Signature] 3/6/2020

APPROVED BY:

SIGNATURE&DATE:

[Signature] 3/6/2020

ICT Authority
 Teliposta Towers 12th Floor, Kenyatta Ave
 P.O. Box 27150 - 00100 Nairobi Kenya
 Tel: +254 20 2089061/ 2211960 Fax: +254 20 2211960
 www.icta.go.ke
 info@icta.go.ke

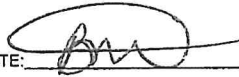


EARTTDF

Bank Statement Date:	29-Feb-20	Currency: KES	Citi Bank	Bank Account No.	300085035
Ending Balance from Bank Statement					47,393,093.00
Add Deposits in Transit:					
<u>Deposit Date</u>	<u>Amount</u>		<u>Deposit Date</u>	<u>Amount</u>	
	-			-	
	-			-	
	-			-	
	-			-	
Total Deposits in Transit					-
Subtotal					47,393,093.00
Subtract Outstanding Checks:					
<u>Date</u>	<u>Payee</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount</u>	
Total Outstanding Checks					-
Computed Book Balance					47,393,093.00
Balance as per Cash Book					47,393,093.00
Difference					-
Notes on difference					

PREPARED BY:

SIGNATURE&DATE:




REVIEWED BY:

SIGNATURE&DATE:

 9/3/2020

APPROVED BY:

SIGNATURE&DATE:

 4/3/2020

ICT Authority
 Telposta Towers 12th Floor, Kenyatta Ave
 PO Box 27150 - 00100 Nairobi Kenya
 Tel: +254 20 2089061/ 2211960 Fax: +254 20 2211960
 www.icta.go.ke
 info@icta.go.ke




EARTTDF

Bank Statement Date:	31-Jan-20	Currency: KES	Citi Bank	Bank Account No.	300085035
Ending Balance from Bank Statement					50,330,871.85
Add Deposits in Transit:					
<u>Deposit Date</u>	<u>Amount</u>		<u>Deposit Date</u>	<u>Amount</u>	
	-			-	
	-			-	
	-			-	
	-			-	
	-			-	
Total Deposits in Transit					-
Subtotal					50,330,871.85
Subtract Outstanding Checks:					
<u>Date</u>	<u>Payee</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount</u>	
Total Outstanding Checks					-
Computed Book Balance					50,330,871.85
Balance as per Cash Book					50,330,871.85
Difference					-
Notes on difference					

PREPARED BY: SIGNATURE&DATE: 

REVIEWED BY: SIGNATURE&DATE:  6/2/2020

APPROVED BY: SIGNATURE&DATE:  6/2/2020

ICT Authority
 Telposta Towers 12th Floor, Kenyatta Ave
 PO Box 27150 - 00100 Nairobi Kenya
 Tel: +254 20 2089061/ 2211960 Fax: +254 20 2211960
 www.icta.go.ke
 info@ict.go.ke



EARTTDF

Bank Statement Date:	31-Dec-19	Currency: KES	Citi Bank	Bank Account No.	300085035
Ending Balance from Bank Statement					50,613,135.85
Add Deposits in Transit:					
<u>Deposit Date</u>	<u>Amount</u>	<u>Deposit Date</u>	<u>Amount</u>		
	-		-		
	-		-		
	-		-		
	-		-		
Total Deposits in Transit					-
Subtotal					50,613,135.85
Subtract Outstanding Checks:					
<u>Date</u>	<u>Payee</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount</u>	
Total Outstanding Checks					-
Computed Book Balance					50,613,135.85
Balance as per Cash Book					50,613,135.85
Difference					-
Notes on difference					

PREPARED BY: SIGNATURE&DATE: 

REVIEWED BY: SIGNATURE&DATE:  6/11/2020

APPROVED BY: SIGNATURE&DATE:  6/11/2020

ICT Authority
 Telposta Towers 12th Floor, Kenyatta Ave
 PO Box 27150 - 00100 Nairobi Kenya
 Tel: +254 20 2089061/ 2211960 Fax: +254 20 2211960
 www.icta.go.ke
 info@ict.go.ke



EARTTDF

Bank Statement Date:	30-Sep-19	Currency: KES	Citi Bank	Bank Account No.	300085035
Ending Balance from Bank Statement					14,287,641.40
Add Deposits in Transit:					
<u>Deposit Date</u>	<u>Amount</u>	<u>Deposit Date</u>	<u>Amount</u>		
	-		-		
	-		-		
	-		-		
	-		-		
Total Deposits in Transit					-
Subtotal					14,287,641.40
Subtract Outstanding Checks:					
<u>Date</u>	<u>Payee</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount</u>	
Total Outstanding Checks					-
Computed Book Balance					14,287,641.40
Balance as per Cash Book					14,287,641.40
Difference					0.00
Notes on difference					

PREPARED BY: SIGNATURE&DATE: 

REVIEWED BY: SIGNATURE&DATE:  3/10/2019

APPROVED BY: SIGNATURE&DATE:  3/10/2019

ICT Authority
 Teleposta Towers 12th Floor, Kenyatta Ave
 O Box 27150 - 00100 Nairobi Kenya
 Tel: +254 20 2089061/ 2211960 Fax: +254 20 2211960
 www.icta.go.ke
 info@icta.go.ke




EARTTDF

Bank Statement Date:	31-Aug-19	Currency: KES	Citi Bank	Bank Account No.	300085035
Ending Balance from Bank Statement					16,789,742.00
Add Deposits in Transit:					
<u>Deposit Date</u>	<u>Amount</u>	<u>Deposit Date</u>	<u>Amount</u>		
-	-	-	-		
-	-	-	-		
-	-	-	-		
Total Deposits in Transit					-
Subtotal					16,789,742.00
Subtract Outstanding Checks:					
<u>Date</u>	<u>Payee</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount</u>	
Total Outstanding Checks					-
Computed Book Balance					16,789,742.00
Balance as per Cash Book					16,789,742.00
Difference					(0.00)
Notes on difference					

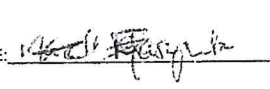
PREPARED BY:

SIGNATURE&DATE:

 7/9/19

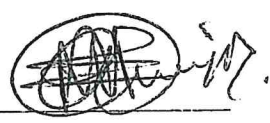
REVIEWED BY:

SIGNATURE&DATE:

 7/9/19

APPROVED BY:

SIGNATURE&DATE:



REF: ICTA/FIN/CASHCOUNT/1

CASH COUNT FORM

Date.....30/06/2020.....

NOTES	QUANTITY	TOTAL AMOUNT (KES)
KES 1,000	0	0.00
KES 500	0	0.00
KES 200	0	0.00
KES 100	0	0.00
KES 50	0	0.00
COINS		
KES 40	0	0.00
KES 20	0	0.00
KES 10	0	0.00
KES 5	0	0.00
KES 1	0	0.00
KES 0.50 CENTS	0	0.00
Others	0	0.00
Total Cash at Hand		0.00

PREPARED BY: NAME: Benard Mgendi
SIGNATURE [Signature]

CHECKED BY: NAME: Machae Dnyiego
SIGNATURE [Signature] 30/6/2020

APPROVED BY: NAME: [Signature]
SIGNATURE [Signature] 30/6/2020

Results 1 - 5 of 5

Run Date: 06/07/2020 Run Time: 15:58:27
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI

STATEMENT OF ACCOUNT PAGE NO : 1

ACCOUNT NUMBER : 1000243791

STATEMENT PERIOD: From 01/07/2019 To

ACCOUNT TITLE : ICTA - A/C 'D'
 30/06/2020

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :				0.00	
NO.	Value Date	Reference.No	Details	Debit	Credit
1	26/09/2019	FT19269NY9FW	ICTAAC FUNDING	0.00	784,153.93
2	15/10/2019	FT19288T2150	PA 123135	-784,153.93	0.00
3	02/03/2020	FT20062H26ND	ICTA - A/C FUND	0.00	443,656.66
4	11/05/2020	FT20132JVZQ8	PA124508	-400,000.00	0.00
5	23/06/2020	FT20175YFFB2	FUNDING	0.00	772,965.40
					Balance
					784153.93
					0
					443656.66
					43656.66
					816622.06

END OF ACCOUNT STATEMENT

CLOSING BALANCE : 816622.06

Favourites

TAM.E.STMT.OF.ACCT.EPRM

More Options
Clear Selection Find

Account equals 1000243791

Statement From equals 20190701

Statement To equals 20200630

TAM.E.STMT.OF.ACCT.EPRM



