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**THE AUDITOR-GENERAL**

**ON**

**EPC/TURN KEY CONSTRUCTION OF FIVE  
FOOTBRIDGES AND T-MALL FLYOVER ON  
MOMBASA AND LANGATA ROADS (PROJECT  
LOAN CREDIT NO. KEN-01001  
AND KEN-02001-19)**

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

**KENYA NATIONAL HIGHWAYS AUTHORITY**



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

07 NOV 2024

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**MINISTRY OF ROADS & TRANSPORT**



**PROJECT NAME: EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD**

**IMPLEMENTING ENTITY: KENYA NATIONAL HIGHWAYS AUTHORITY**

**PROJECT CREDIT NUMBER: KEN-01001-19 AND KEN -02001-19**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

**EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN  
MOMBASA AND LANGATA ROAD**

*Annual Report and Financial Statements for the financial year ended June 30, 2024*

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***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

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**1. Acronyms and Definition of Terms**

AIA	Environmental Impact Assessment
CBK	Central Bank of Kenya
Comparative FY	Financial year preceding the current financial year.
CPA	Certified Public Accountant
EIK	Environment Institute of Kenya
ESMP	Environmental and Social Management Plan
FY	Financial Year
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
JKIA	Jomo Kenyatta International Airport
KeNHA	Kenya National Highways Authority
Kshs.	Kenya Shillings
MoR&T	Ministry of Roads and Transport
NEMA	National Environmental Management Authority
PAPS	Project Affected Persons
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
SDG	Sustainable Development Goals
SIA	Social Impact Assessment
TNT	The National Treasury

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**2. Project Information and Overall Performance**

**2.1 Name and registered office**

**Name**

The project's official name is EPC/Turn Key Construction of Five Footbridges & T-Mall Flyover in Mombasa and Langata Road

**Objective:**

The key objectives of the project are to;

The five footbridges will alleviate the heavy traffic congestion and increase pedestrian security along the Northern corridor through the A8 in central Nairobi.

The T-Mall flyover will alleviate the heavy traffic along the Trans-African Highway and Nairobi and to Nairobi West inhabitants.

**Address:**

The project headquarters offices are in Barabara Plaza.

The address of its registered office is Jomo Kenyatta International Airport (JKIA) Off Mazao Road, Nairobi, Kenya

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

Director General, Kenya National Highways Authority

Po Box 49712-00100, Nairobi.

Telephone: (254) 020 495000

E-mail: [dg@Kenha.co.ke](mailto:dg@Kenha.co.ke)

Website: [www.kenha.co.ke](http://www.kenha.co.ke)

***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD***  
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**Project Information and Overall Performance (Continued)**

**2.2 Project Information**

Project Start Date:	17.01.2020 (EPC/Turnkey Construction of Five Footbridges)
Project End Date:	June, 2023
Project Start Date	12.11.2019 (T-Mall Flyover)
Project End Date:	22 <sup>nd</sup> January, 2024
Project Engineer	Eng. Jared Makori
Project Sponsor:	Government of Spain Government of Kenya

**2.3 Project Overview**

<b>Line Ministry/State Department of the project</b>	The project was under the supervision of the State Department of Roads under the Ministry of Roads and Transport
Project number	KeNHA/RD/HP&D/2536/2018
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> <li>i) To make the city more liveable, sustainable and competitive city and to increase the gross domestic product per capita.</li> <li>ii) Enhance regional social economic development.</li> <li>iii) To improve safe crossing of pedestrians.</li> </ul> <p>The specific objectives of the project are as follows:</p> <ul style="list-style-type: none"> <li>i) Reduce travel times and costs</li> <li>ii) Increase road safety to reduce death and serious injury to all road users</li> </ul>
Summary of Project Strategies for achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> <li>(i) Realisation of the regional road improvements, implementation of effective transit operations on the corridor.</li> <li>(ii) Scaling up the quantity and quality of road infrastructure, which carry very significant proportion of freight transport, about 90%, has gained prominence in both countries' development plans.</li> </ul>
Other important background information of the project	<p>The five footbridges and flyover include;</p> <ul style="list-style-type: none"> <li>i) T-Mall footbridge crossing Mbagathi road to give access to the six-lane road, it's composed of 2 spans of 17m in length.</li> <li>ii) Nyayo stadium footbridge gives access from the stadium to the other side of Langata road. Composed of 2 spans of 22m in length.</li> </ul>

**EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

	<ul style="list-style-type: none"> <li>iii) Mlongo Footbridge along Mombasa Road, crossing the highway at Mlolongo neighbourhood. Composed of 3 spans of 22m in length.</li> <li>iv) Syokimau State Footbridge along Mombasa Road, crossing the highway at Syokimau Neighbourhood. Composed of 2 lateral spans of 21.6m, 2 central spans of 22m in length.</li> <li>v) Syokimau Station along Mombasa road, crossing the highway at Syokimau stage. This footbridge shall allow crossing from the commercial area bus stop at Syokimau stage to commercial area on the other side of the highway. Composed of 4 spans of 26m in length.</li> <li>vi) T-Mall flyover is along Langata road at T-Mall roundabout. Composed of 8 spans with variable lengths between 22m to 37m.</li> </ul>
Areas that the project was formed to intervene	<p>The project was formed to intervene in the following problems/gaps:</p> <ul style="list-style-type: none"> <li>i) The Flyover project's main objective is to segregate vehicular traffic at the Mbagathi Way/Lang'ata Road/Mai Mahiu Road Intersection thus cutting travel times to and from the city centre and its Southern &amp; Western environs.</li> <li>ii) The footbridges located in Nairobi County were to ease the movement of pedestrian traffic. The project's main objective is to enhance mobility and pedestrian safety at critical crossings along Lang'ata Road and Mbagathi Way.</li> </ul>
Project duration	The project was for duration of 30 months for EPC/Turn key Construction of Five Footbridges and 54 months for T-mall Flyover.

**2.4 Bankers**

The following are the bankers of the project:

Co-operative Bank of Kenya Ltd  
Upper Hill Branch, Nairobi  
Account Number: '01141160979900

**2.5 Auditors**

The project is audited by:  
The Auditor General  
Office of the Auditor - General  
P.O. Box 30084 - 00100 GPO  
Nairobi



***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

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**Project Information and Overall Performance (Continued)**

**2.6 Roles and Responsibilities**

List of the people who are working on the project.

<b>No</b>	<b>Names</b>	<b>Title Designation</b>	<b>Key Qualification</b>	<b>Responsibilities</b>
1	Eng. Ezekiel Fukwo	Director-Highway Planning and Design	Registered Civil Engineer	Project Implementing Team Leader
2	Eng. Jared Makori	Deputy Director- Highway Planning and Design	Registered Civil Engineer	Project Engineer
3	Mr. Walter B. Nyatwang'a	Deputy Director Environment & Social Interests	Registered NEMA Lead expert. Member EIK	Project Safeguards Specialist
4	Ms. Norah Odingo	Deputy Director-Legal Services	Registered Legal Practitioner	Project Legal Specialist
5	Ms. Levina K. Wanyonyi	Deputy Director-Supply Chain Management	Certified Supply Chain Management Professional	Project Procurement Specialist
7	Mr. Chanje Kera	Deputy Director-Finance & Accounts	CPA (K)	Project Financial Specialist

**2.7 Funding summary**

The project was for duration of three years with an approved budget of EURO 35,680,000 equivalent to Kshs. 4,316,858,976 by the donor component and amount of Kshs. 40,000,000 by GoK as highlighted in the table below:

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**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**Project Information and Overall Performance (Continued)**

Below is the funding summary:

**A. Source of Funds**

Source of funds	Donor Commitments		Amount received to date (30th June 2024)		Undrawn balance to date (30th June 2024)	
	Euros	Kshs	Euros	Kshs	Euros	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
<b>(i) Loan</b>						
Spanish Govt	35,680,000	4,316,858,991	35,680,000	4,316,858,991	-	-
<b>(ii) Counterpart Funds</b>						
Counterpart Funds	330,611	40,000,000	71,249.12	8,620,303.00	259,362	31,379,697
<b>Total</b>	<b>36,010,611</b>	<b>4,356,858,991</b>	<b>35,751,249</b>	<b>4,325,479,294</b>	<b>259,362</b>	<b>31,379,697</b>

**B. Application of Funds**

Application of funds	Amount received to date- (30th June 2024)		Cumulative Amount paid to date-(30th June 2024)		Unutilised balance to date	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
	Euros	Kshs	Euros	Kshs	Euros	Kshs
<b>i) Loan</b>						
Spanish Govt	35,680,000	4,316,858,991	35,680,000	4,316,858,991	-	-
<b>(ii) Counterpart Funds</b>						
Government of Kenya	71,249	8,620,303	71,248	8,620,206		97
<b>Total</b>	<b>35,751,249</b>	<b>4,325,479,294</b>	<b>35,751,248</b>	<b>4,325,479,197</b>		<b>97</b>

***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

**Project Information and Overall Performance (Continued)**

**2.8 Summary of Overall Project Performance:**

i) Budget performance against actual amounts for current year and for cumulative to-date: -

	2023/2024			Cumulative		
	Budget	Actual	%	Budget	Actual	%
Counterpart Funds-GOK	5,028,770	14,903	0%	18,528,770	8,620,206	47%
Loan from external Development Partners	1,200,000,000	755,808,674	63%	5,785,430,462	4,316,858,991	75%
<b>Total</b>	<b>1,205,028,770</b>	<b>14,903</b>	<b>0%</b>	<b>5,803,959,232</b>	<b>4,325,479,197</b>	<b>75%</b>

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

The project is substantially complete and has been handed over to the employer.

iii) Absorption rate for each year since the commencement of the project

Financial Year	Budget	Actual	Percentage (%)
FY 2023/24	5,028,770.0	14,903.0	0%
FY 2022/23	1,202,500,000	758,293,674	63%
FY 2021/22	1,510,000,000	953,936,126	63%
FY 2020/21	2,106,430,462	1,965,705,648	93%
FY 2019/20	980,000,000	647,528,846	66%
<b>TOTAL</b>	<b>5,803,959,232</b>	<b>4,325,479,197</b>	<b>75%</b>

**T-mall Flyover**

The project had reached substantial complete and handed over to the employer on 22<sup>nd</sup> January 2024.

**Five Footbridges**

The footbridges at Tmall and Nyayo stadium, Galleria, Langata Barracks and Uhuru Gardens footbridges have been taken over as at 30<sup>th</sup> June 2024.

***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN  
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Annual Report and Financial Statements for the financial year ended June 30, 2024***

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**Project Information and Overall Performance (Continued)**

**(a) Comment on value for money achievements.**

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

**2.9 Summary of Project Compliance:**

There are no significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants, which has been reported

***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

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**3. Statement of Performance against Project’s Predetermined Objectives**

**Introduction**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that the Accounting Officer include a statement of the national government entity’s performance against predetermined objectives at the end of each financial year.

The key development objectives of the project are to:

- a) Alleviated heavy traffic congestion and increase pedestrian security along the Northern corridor through the A8 in central Nairobi;
- b) To make the city more liveable, sustainable and competitive.
- c) To enhance regional social economic development.

**Progress on attainment of Strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

<b>Objective</b>	<b>Expected Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Alleviated heavy traffic congestion and increase pedestrian security along the Northern corridor through the A8 in central Nairobi.	Reduced traffic and increased pedestrian safety.	Better traffic flow and reduction in accidents.	T-mall flyover and five footbridges on Langata road are complete and fully operational They have enhanced pedestrian safety and reduced traffic congestion on Langata road leading to reduced travel times
To make the city more liveable, sustainable and competitive;	Safe, liveable and competitive city.	Better living standards	The T-mall flyover and five footbridges on Langata road are fully operational reducing travel times, enhancing pedestrian safety and improved liveability.

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<b>Objective</b>	<b>Expected Outcome</b>	<b>Indicator</b>	<b>Performance</b>
To enhance regional social economic development.	Reduced travel time for goods and travellers.	Reduced travel time	T-mall flyover and five footbridges on Langata road are complete and fully operational. They have enhanced pedestrian safety and reduced traffic congestion on Langata road leading to reduced travel times

#### **4. Environmental and Sustainability Reporting**

EPC/Turn Key Construction of Five Footbridges & T-Mall Flyover Project exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

##### **i) Sustainability strategy and profile**

Sustainable Development Goals (SDGs) 2015-2030 provides a plan of action for the people and prosperity. Five out of the seventeen goals are pertinent to management of projects being undertaken by the Authority. These are being addressed through the following initiatives;

- a) *Good health and well-being (SDG 3)*: The Authority strives to undertake Road Safety Audits to identify accident black spots, implement intervention measures and provide road safety education to reduce accidents;
- b) *Gender Equality (SDG 5)*: The Authority encourages mainstreaming of gender equality in project and programmes by incorporating compliance to one third gender rule in procurement and recruitment;
- c) *Industry, innovation and infrastructure (SDG 9)*: The Authority develops quality, reliable, sustainable and resilient infrastructure including regional and trans-border infrastructure to support economic development and human wellbeing with a focus on affordable and equitable access for all;
- d) *Sustainable cities and communities (SDG 11)*: The Authority endeavours to extend the paved road network to hitherto underserved areas in the region to improve nationwide access to high speed and all – weather connectivity; and
- e) *Climate action (SDG 13)*: The Authority endeavours to combat negative impacts of road development through environmental mitigation, climate change measures and compliance with National Environment Management Authority (NEMA) requirements in all development projects

**Environmental and Sustainability Reporting (Continued)**

**ii) Environmental performance**

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

**iii) Employee welfare**

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

**iv) Market place practices**

The Authority strives to ensure responsible competition practices through undertaking annual governance audits in projects, monitoring the implementation of policies and further promotes ethical conduct in projects. The Authority equally sensitizes staff on corruption and integrity.

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

**v) Community Engagements**

During the implementation of the Project, the Authority is committed to remaining a responsible corporate citizen by being accountable for its actions through engaging in Public Participation. The Project's goal in terms of community engagement is to ensure that the projects foster long-term relationships with stakeholders and communities around the project. The aim is not just to build roads that foster development but to ensure collaboration with the local communities to achieve sustainable development. The project staff is also encouraged to give back to society by participating in the Authority's corporate social responsibility projects.



***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN  
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**Environmental and Sustainability Reporting (Continued)**

The Contractor has been involved in various CSR activities geared towards providing the local residents through construction of water kiosks along the project road, improvement of access roads and enhancing learning and playing environment in schools along the project road. To enhance social safeguards in projects, the Authority undertakes Resettlement Action Plan (RAP) studies and implements its recommendations, carries out Social Impact Assessments (SIA), undertakes gender mainstreaming and conduct stakeholders' forum to sensitize the public in several cross-cutting issues. Some of the community engagements to be undertaken by the contractor includes community sensitization on road usage and traffic safety, landscaping and beautification of Mombasa Road and T-Mall roundabout along Langata road.

**EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

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**5. Statement of Project Management Responsibilities**

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

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

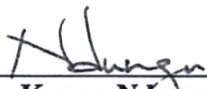
The Director General, KeNHA and the Project Management accept responsibility for the project’s financial Statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with the International Public Sector Accounting Standards.

The Director General, KeNHA and the Project Management are of the opinion that the Project financial statements give a true and fair view of the state of the Project’s transactions during the financial year ended June, 30, 2024 and the Project’s financial position as at that date. The Director General, KeNHA and the Project Management further confirm that completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial Statements and the adequacy of the systems of internal financial control.


The Director General, KeNHA and the Project Management confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants and that Project funds received during the financial year under audit are used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Project financial statements**


The Project financial statements were approved by the Director General, KeNHA and the Project Management on .....10 SEP. 2024.....and signed by:

  
\_\_\_\_\_  
**Eng. Kungu Ndungu, MBS**  
**Director General**

Date 10 SEP 2024

  
\_\_\_\_\_  
**Eng. Henry Gakuru**  
**Director -Development**

Date 10 SEP 2024

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

Date 10 SEP 2024

# REPUBLIC OF KENYA

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



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

*Enhancing Accountability*

## **REPORT OF THE AUDITOR-GENERAL ON EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES AND T-MALL FLYOVER ON MOMBASA AND LANGATA ROADS (PROJECT LOAN CREDIT NO. KEN-01001 AND KEN-02001-19) FOR THE YEAR ENDED 30 JUNE, 2024 - KENYA NATIONAL HIGHWAYS AUTHORITY**

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Opinion**

I have audited the accompanying financial statements of EPC/ Turn Key Construction of Five Footbridges and T-Mall Flyover on Mombasa and Langata Roads Project set out on pages 1 to 17, which comprise of the statement of financial assets and liabilities as at

*Report of the Auditor-General on EPC/Turn Key Construction of Five Footbridges and T-Mall Flyover on Mombasa and Langata Roads Project Loan Credit No. KEN-01001-19 and KEN-02001-19 for the year ended 30 June, 2024- Kenya National Highways Authority*

30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of EPC/ Turn Key Construction of Five Footbridges and T-Mall Flyover on Mombasa and Langata Roads Project as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Loan Agreement No. KEN-01001-19 and KEN-02001-19 dated 17 January, 2020 between the Government of Spain and the Republic of Kenya.

### **Basis for Opinion**

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the EPC/ Turn Key Construction of Five Footbridges and T-Mall Flyover on Mombasa and Langata Roads Project Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of Matter**

#### **1. Long Outstanding Pending Bills**

Annex 4 to the financial statements and Note 8 on other important disclosures to the financial statements reflects pending accounts payable balance of Kshs.8,443,320. Management attributed the pending bills to the outstanding GoK counterpart funds. However, Management did not provide details of the measures put in to settle the pending bills.

In the circumstances, the Project is at risk of incurring additional cost inform of interest and penalties for failure to settle project related costs as and when they fall due.

#### **2. Project Closure Report**

Paragraph 2.7 on Funding Summary, the Project was for a duration of three (3) years starting from 17 January, 2020 and end on June, 2023 with an approved budget of EURO 35,680,000 equivalent to Kshs.4,316,858,976 by the donor (Spanish Government) component and an amount of Kshs.40,000,000 (counterpart funding) by Government of Kenya (GoK). Further, Paragraph 2.8 on Summary of Overall Performance indicates that the T-Mall flyover project had been completed and handed over to the employer on

22 January, 2024 while the footbridges at T-Mall and Nyayo Stadium, Galleria, Langata Barracks and Uhuru Gardens had been taken over as at 30 June, 2024. However, the project closure report was not provided for audit. Management did not provide an explanation for the failure to close the project.

In addition, out of the GoK counterpart funding of Kshs.40,000,000, only an amount of Kshs.8,620,303 had been received as at 30 June, 2024 resulting to counterpart underfunding of Kshs.31,379,697.

My opinion is not modified in respect of these matters.

### **Key Audit Matters**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, 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 controls, risk Management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

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

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

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

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

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

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

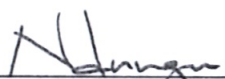
12 November, 2024

**EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

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


	Note	2023/24			2022/23			Cumulative to date
		Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payments controlled by the entity	Payments made by third parties	Total	
		Kshs.	Kshs.		Kshs.	Kshs.		
<b>Receipts</b>								
Transfer from Government entities	1	-	-	-	2,485,000	-	2,485,000	8,605,303
Loan from external Development Partners	2	-	-	-	-	755,808,674	755,808,674	4,316,858,991
<b>Total receipts</b>		-	-	-	<b>2,485,000</b>	<b>755,808,674</b>	<b>758,293,674</b>	<b>4,325,464,294</b>
<b>Payments</b>								
Purchase of Goods & Services	4	14,903		14,903	2,485,000	-	2,485,000	3,167,983
Acquisition of non-financial assets	5	-	-	-	-	755,808,674	755,808,674	4,322,311,214
<b>Total payments</b>		<b>14,903</b>		<b>14,903</b>	<b>2,485,000</b>	<b>755,808,674</b>	<b>758,293,674</b>	<b>4,325,479,197</b>
<b>Surplus/ (deficit)</b>		<b>(14,903)</b>	-	<b>(14,903)</b>	-	-	-	<b>(14,903)</b>

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

  
**Eng. Kungu Ndungu, MBS**  
**Director General**


10 SEP 2024

Date

  
**Eng. Henry Gakuru**  
**Director-Development**

10 SEP 2024

Date

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

10 SEP 2024

Date

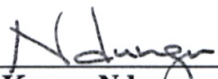


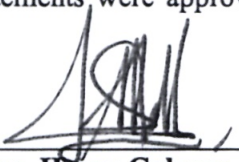
**EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**


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

Description	Note	2023/24	2022/23
		Kshs	Kshs
<b>Financial Assets</b>			
Cash and Cash Equivalents	3	97	15,000
<b>Total Financial Assets (A)</b>		<b>97</b>	<b>15,000</b>
<b>Financial Liabilities</b>			
Third party Deposits and Retention		-	-
<b>Total Financial Liabilities (B)</b>		<b>-</b>	<b>-</b>
<b>Net Financial Assets (A-B)</b>		<b>97</b>	<b>15,000</b>
<b>Represented By</b>			
Fund Balance B/fwd.		15,000	-
Surplus/Deficit for the year		(14,903)	15,000
<b>Net Financial Assets</b>		<b>97</b>	<b>15,000</b>

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

  
 Eng. Kungu Ndungu  
 Director General

  
 Eng. Henry Gakuru  
 Director-Development

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

**EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD**

**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**9. Statement of Cashflow for the year ended 30th June 2024**

Description	Notes	2023/24	2022/23
		Kshs.	Kshs.
<b>Receipts</b>			
Cashflow from operating activities			
Transfers from government entities	1		2,500,000
<b>Total receipts</b>			<b>2,500,000</b>
<b>Payments</b>			
Purchase of Goods and Services	4	(14,903)	(2,485,000)
<b>Total Payments</b>		<b>(14,903)</b>	<b>(2,485,000)</b>
<b>Net receipts/(payments)</b>		<b>(14,903)</b>	<b>15,000</b>
<b>Adjustments during the year</b>			
Increase/(decrease) in accounts payable:		-	-
Net cash flow from operating activities			
<b>Cashflow from investing activities</b>			
Acquisition of non-financial assets	5		(755,808,674)
<b>Net cash flows from Investing Activities</b>			<b>(755,808,674)</b>
<b>Cash flow from financing activities</b>			
Proceeds from Foreign Borrowings			755,808,674
Net cash flow from financing activities			755,808,674
<b>Net increase in cash and cash equivalents</b>		<b>-</b>	<b>15,000</b>
<b>Cash &amp; Cash equivalent at beginning of the year</b>		<b>15,000</b>	<b>-</b>
<b>Cash and cash equivalent at end of the year</b>		<b>97</b>	<b>15,000</b>

**EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30<sup>th</sup> June 2024**

Receipts/ Payments Item	Original Budget	Adjustment s	Final Budget	Actual on Comparabl e Basis	Variance	% of Utilisatio n
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Transfer from Government entities	10,000,000	(4,971,230)	5,028,770	-	5,028,770	0%
Transfer from External Development Partner	600,000,000	(600,000,000)	-	-	-	-
<b>Total Receipts</b>	<b>610,000,000</b>	<b>(604,971,230)</b>	<b>5,028,770</b>	<b>-</b>	<b>5,028,770</b>	<b>0%</b>
<b>Payments</b>						
Purchase of goods and services				14,903		
Acquisition of non-financial assets	610,000,000	(604,971,230)	5,028,770	-	5,013,867	0%
<b>Total Payments</b>	<b>610,000,000</b>	<b>(604,971,230)</b>	<b>5,028,770</b>	<b>14,903</b>	<b>5,013,867</b>	<b>0%</b>
<b>Surplus or Deficit</b>				<b>(14,903)</b>	<b>14,903</b>	

***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN  
MOMBASA AND LANGATA ROAD  
Annual Report and Financial Statements for the financial year ended June 30, 2024***

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**11. Significant Accounting Policies**

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

**i) 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 Public Sector Accounting Standards Board (PSASB)

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.

**ii) Reporting entity**

The financial statements are for the construction of Five Footbridges & T-mall flyover under National Government of Kenya. The financial statements are for the reporting entity (Five Footbridges & T-mall flyover) as required by Section 81 of the PFM Act, 2012.

**iii) Reporting currency**

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

**iv) Recognition of receipts**

The Project recognizes all receipts from various sources when an event occurs, and the related cash is received.

***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN  
MOMBASA AND LANGATA ROAD  
Annual Report and Financial Statements for the financial year ended June 30, 2024***

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**Significant Accounting Policies (Continued)**

**i) Transfers from the Exchequer**

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

**ii) External Assistance**

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

**iii) Other receipts**

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

**iv) Donations and grants**

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

**v) Proceeds from borrowing**

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

***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN  
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Annual Report and Financial Statements for the financial year ended June 30, 2024***

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**Significant Accounting Policies (Continued)**

**vi) Undrawn external assistance**

These are loans and grants at the reporting date 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. The funding summary analyzes the Project's undrawn external assistance.

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

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

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

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

***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN  
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**Significant Accounting Policies (Continued)**

**v) Acquisition of fixed assets**

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

**vi) In-kind donations**

In-kind contributions are donations 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.

**vii) 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.

**viii) 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

***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN  
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Annual Report and Financial Statements for the financial year ended June 30, 2024***

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**Significant Accounting Policies (Continued)**

stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits

**ix) Imprests & Advances**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are 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.

**x) Contingent Liabilities**

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.



***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN  
MOMBASA AND LANGATA ROAD  
Annual Report and Financial Statements for the financial year ended June 30, 2024***

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**Significant Accounting Policies (Continued)**

**xi) Contingent Assets**

EPC/Turn Key Construction of Five Footbridges & T-Mall Flyover Project 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 EPC/Turn Key Construction of Five Footbridges & T-Mall Flyover Project in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**xii) Pending bills**

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

**xiii) 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.

***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN  
MOMBASA AND LANGATA ROAD  
Annual Report and Financial Statements for the financial year ended June 30, 2024***

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**Significant Accounting Policies (Continued)**

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.

**xiv) 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.

**xv) 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 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.

**xvi) Comparative figures**

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

**xvii) Subsequent events**

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

**xviii) Prior Period Adjustment**

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). There were no prior year adjustments as at June, 30,2024.

**EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**12. Notes to The Financial Statements**

**1. Transfers from Government Entities**

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

Description	FY 2023/24	FY 2022/23	Cumulative
	Kshs	Kshs	to-date
<b>Counterpart funding through MoR&amp;T</b>			
Counterpart funds Quarter 1	-	-	2,500,000
Counterpart funds Quarter 2	-	2,500,000	492,100
Counterpart funds Quarter 3	-	-	5,628,203
Counterpart funds Quarter 4	-	-	-
<b>Total (See Annex 3)</b>	<b>-</b>	<b>2,500,000</b>	<b>8,620,303</b>
<b>Other Transfers from government entities</b>			
Appropriations-in-Aid	-	-	-
<b>Total</b>	<b>-</b>	<b>2,500,000</b>	<b>8,620,303</b>

**2. Proceeds from Domestic and Foreign Grants**

During the financial year ended 30 June 2024, we received grants from donors as detailed in the table below:

Description	2023/2024					FY 2022/2023	Cumulative to date
	Name of Donor	Date received	Amount in loan currency	Loans received in actual amount	Loans received as direct payment*	Total amount in Kshs	
			USD	Kshs	Kshs	Kshs	Kshs
Government of Spain	2022/23		-	-	-	755,808,674	4,316,858,991
<b>Total</b>			-	-	-	<b>755,808,674</b>	<b>4,316,858,991</b>

**EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN  
MOMBASA AND LANGATA ROAD**  
*Annual Report and Financial Statements for the financial year ended June 30, 2024*

**Notes to The Financial Statements (Continued)**

**3. Cash and Cash Equivalents**

Description	2023/24	2022/23
	Kshs	Kshs
Bank accounts (Note 3A)	97	15,000
<b>Cash equivalents</b>	<b>97</b>	<b>15,000</b>

**3A. Bank Accounts**

Description	FY 2023/24	FY 2022/23
	Kshs	Kshs
Co-operative Bank of Kenya [A/c No 01141160979900]	97	15,000
<b>Total</b>	<b>97</b>	<b>15,000</b>

**4. Purchase of Goods and Services**

Item	FY 2023/24			FY 2022/23	Cumulative to Date
	Payments made in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Domestic Travel & Subsistence	-	-	-	-	-
Printing, Adverts & Information Supplies	-	-	-	-	-
Hospitality Supplies & Services	14,903	-	14,903	2,485,000	3,167,983
<b>Total</b>	<b>14,903</b>	<b>-</b>	<b>14,903</b>	<b>2,485,000</b>	<b>3,167,983</b>

**EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**Notes to The Financial Statements (Continued)**

**5. Acquisition of Non-Financial Assets**

	FY 2023/24			FY 2022/23	Cumulative
	Payments made in Cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	
Construction of Footbridges & Flyover	-	-	-	755,808,674	4,322,311,214
<b>Total</b>	-	-	-	<b>755,808,674</b>	<b>4,322,311,214</b>

**6. Accounts Payables- Retentions**

As at 30th June 2024, there were no Accounts Payables- Retentions under the project. (30th June 2023- Nil)

**7. Changes in Accounts Payable**

As at 30th June 2024, there were no Cash and cash equivalents being held under the project. (30th June 2023- Nil)

**Other Important Disclosures**

**8. Pending Accounts Payable (See Annex 3)**

	Balance b/f FY 2022/23	Additions for the year	Paid during the year	Balance c/f FY 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Construction of Footbridges & Flyover	7,499,380	943,940	-	8,443,320
<b>Total</b>	<b>7,499,380</b>	<b>943,940</b>	<b>-</b>	<b>8,443,320</b>

**9. Changes in Accounts Payables (Deposits and Retention)**

As at 30th June 2024, there were no changes in Accounts Payables (Deposits and Retention) under the project. (30th June 2023- Nil)

**EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN  
MOMBASA AND LANGATA ROAD**  
*Annual Report and Financial Statements for the financial year ended June 30, 2024*

**Notes to The Financial Statements (Continued)**

**10. External Assistance**

*a) External assistance relating to loans and grants*

	<b>FY 2023/2024</b>	<b>FY 2022/23</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received as loans	-	755,808,674
<b>Total</b>	<b>-</b>	<b>755,808,674</b>

*b) Undrawn external assistance*

As at 30th June 2024, there were no undrawn external assistance under the project. (30th June 2023- Nil)

	<b>Purpose for which the undrawn external assistance may be used</b>	<b>FY 2023/2024</b>	<b>FY 2022/23</b>
<b>Description</b>		<b>Kshs</b>	<b>Kshs</b>
Undrawn external assistance - loans	Road works & consultancy services	-	-
<b>Total</b>		<b>-</b>	<b>-</b>

*c) Classes of providers of external assistance*

	<b>FY 2023/2024</b>	<b>FY 2022/23</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Bilateral donors	-	755,808,674
<b>Total</b>	<b>-</b>	<b>755,808,674</b>

*External assistance for road rehabilitation works, studies, design & supervision consultancy services.*

*d) Non-monetary external assistance*

As at 30th June 2024, there were no Non-monetary external assistance under the project. (30th June 2023- Nil)

**EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MAILL-FLYOVER IN  
MOMBASA AND LANGATA ROAD**  
*Annual Report and Financial Statements for the financial year ended June 30, 2024*

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**Notes to The Financial Statements (Continued)**

*e) Purpose and use of external assistance*

	<b>FY 2023/2024</b>	<b>FY 2022/23</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Acquisition of Assets	-	755,808,674
<b>Total</b>	-	<b>755,808,674</b>

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

*This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity*

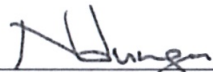
	<b>FY 2023/2024</b>	<b>FY 2022/23</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Bilateral donors	-	755,808,674
<b>Total</b>	-	<b>755,808,674</b>

**13. Annexes**

**Annex 1**

**Prior Year Auditor-General's Recommendations**

Reference No. on the external audit Report	Issue / Observations from Auditor	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
N/A	N/A	N/A	N/A



**Eng. Kungu Ndungu, MBS**  
**Director General**

10 SEP 2024

**Date**



**Eng. Henry Gakuru**  
**Director-Development**

10 SEP 2024

**Date**



**EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

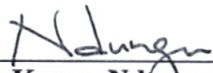
**Annex 2: Variance explanations - Comparative Budget and Actual Amounts for Current FY**

	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Budget Utilization Difference</b>	<b>% of Utilization</b>	<b>Comments on Variance (below 90% and over 100%)</b>
	<b>a</b>	<b>b</b>	<b>c=a-b</b>	<b>d=b/a %</b>	
<b>Receipts</b>					
Government of Kenya	10,057,540	-	10,057,540	0%	GoK Exchequer not received
External financing	100,000,000	-	100,000,000	0%	
<b>Total receipts</b>	<b>110,057,540</b>	<b>-</b>	<b>110,057,540</b>	<b>0%</b>	
<b>Payments</b>					
Purchase of goods and services	110,057,540	14,903	110,042,637	0%	GoK Exchequer not received
Acquisition of non-financial assets		-			
<b>Total Payments</b>	<b>110,057,540</b>	<b>14,903</b>	<b>110,042,637</b>	<b>0%</b>	

**EPC/TURN KEY CONSTRUCTION OF FIVE . OTBRIDGES & T-MALL FLYOVER IN MOA ASA AND LANGATA ROAD**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**


**Annex 3: Reconciliation of inter-entity transfers**

<b>Project Name: EPC/Turn Key Construction of Five Footbridges &amp; T-Mall Flyover</b>			
<b>Break down of transfers from the State Department of Roads</b>			
<b>a</b>	<b>Government Counterpart funding</b>		
		Bank Statement Date	Amount (Kshs) FY 2023/24
		<b>Total</b>	-
<b>B</b>	<b>Direct payments</b>		
		Bank Statement Date	Amount (Kshs) FY 2023/24
			-
		<b>Total</b>	-
<b>C</b>	<b>Others</b>		
		Bank Statement Date	Amount (Kshs) FY 2023/24
			-
		<b>Total</b>	-
		<b>Total (A+B+C)</b>	

  
**Eng. Kungu Ndungu, MBS**  
**Director General**

10 SEP 2024

**Date**

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

10 SEP 2024

**Date**

***EPC/TURN KEY CONSTRUCTION OF FIVE FOOTBRIDGES & T-MALL FLYOVER IN MOMBASA AND LANGATA ROAD  
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**Annex 4 - Analysis of Pending Bills**

<b>Supplier of Goods or Services</b>	<b>Date Contracted/ invoiced.</b>	<b>Original Amount</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance Current FY</b>	<b>Outstanding Balance Previous FY</b>	<b>Comments</b>
		<b>Ksh</b>	<b>Ksh</b>	<b>Ksh</b>	<b>Ksh</b>	
<b>Construction of civil works</b>		<b>a</b>	<b>b</b>	<b>c=a-b</b>		
Centunion East Africa	06-Dec-22	940,779	-	940,779	940,779	1754/PA
Centunion East Africa	06-Dec-22	3,243,042	-	3,243,042	3,243,042	1754/PA
Centunion East Africa	19-Jan-23	3,315,559	-	3,315,559	3,315,559	1730/PA
Centunion East Africa	11-Oct-23	89,361	-	89,361	-	500.1730/PA
Centunion East Africa	09-Feb-24	854,579	-	854,579	-	SEPT 1730/PA
<b>Total</b>		<b>8,443,320</b>	<b>-</b>	<b>8,443,320</b>	<b>7,499,380</b>	

**Annex 5 – Summary of Fixed Assets Register**

<b>Asset class</b>	<b>Opening Cost (KShs) 2023/24</b>	<b>Purchases/Additions in the Year (KShs) 2023/24</b>	<b>Disposals in the Year (KShs) 2023/24</b>	<b>Closing Cost (KShs) 2023/24</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)= (a)+ (b)-(c)</b>
Construction of Roads	4,322,311,214	-	-	4,322,311,214
<b>Total</b>	<b>4,322,311,214</b>	<b>-</b>	<b>-</b>	<b>4,322,311,214</b>

**Annex 6 - Summary of Retention Controlled by Third Parties**

As at 30<sup>th</sup> June 2024, there were no retention controlled by third parties.