

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

**50MW SOLAR POWER PLANT
IN GARISSA PROJECT
(GCL NO.2015(10))**

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

**RURAL ELECTRIFICATION AND
RENEWABLE ENERGY
CORPORATION**

THE NATIONAL ASSEMBLY
PAPERS AND DAY.
DATE: 05 DEC 2024
DEPUTY M.A.SORRIT
W.H.P.
WILLIS OBIERO



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

24 OCT 2024

RECEIVED

**SOLAR POWER PLANT IN GARRISA PROJECT
(50MW SPGP)**

RURAL ELECTRIFICATION AND RENEWABLE ENERGY CORPORATION

**PROJECT CREDIT NUMBER:
GCL2015 (10)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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



#595 130 # S

Table of Contents	Page
50MW SOLAR POWER PLANT IN GARRISA PROJECT	i
1. Acronyms and Definition of Terms.....	iv
2. Project Information and Overall Performance	v
3. Statement of Performance against Project’s Predetermined Objectives	xvi
4. Environmental and Sustainability Reporting	xviii
5. Statement of Project Management Responsibilities.....	xxii
6. Report of the Auditor General on Financial Statements for the 50MW Solar Power Plant in Garissa Project.....	xxiv
7. Statement of Receipts and Payments for the year ended 30 th June 2024	1
8. Statement of Financial Assets and Liabilities as at 30 th June 2024.....	3
9. Statement of Cash flow for the year ended 30 th June 2024	4
10. Statement of Comparison of Budget and Actual Amounts for the year ended 30 th June 2024	6
11. Significant Accounting Policies	7
12. Notes to the Financial Statements	14
13. Other Important Disclosures	28
14. Annexes	36



1. Acronyms and Definition of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
RMB	Renminbi
Exim Bank	The Export-Import Bank of China
MW	Megawatts (which is a unit of power commonly used to measure the output of power plant)

2. Project Information and Overall Performance

2.1 Name and registered office

Name: 50MW Solar Power Plant in Garissa Project

Objective: The key objective of the project are:

- (i) To promote development and use of renewable energy technology.
- (i) To replace the costly power from the Garissa Diesel Power Station being managed by Kenya Electricity Generating Company Limited.
- (ii) To offer voltage and grid support to areas in the North Eastern parts of the country.

Address:

The project headquarters offices are in Nairobi, Kenya.

The address of its registered office is:

Kawi House, Off Red Cross Road, South C
P.O. Box 34585 - 00100,
Telephone: (254) 709 193 000/3600
E-mail: info@rerec.co.ke
Website: www.rerec.co.ke

2.2 Project Information

Project Start Date:	The project start date is 21 st August 2015
Project End Date:	The project end date is 20 th August 2022
Project Coordinator:	The project coordinator is Engineer Jonathan Mbutu
Project Sponsor:	The project sponsor is the Export-Import Bank of China (EXIM Bank), through the National Treasury of Kenya.

2.3 Project Overview

Line Ministry	The project is under the supervision of the Ministry Of Energy and Petroleum.
---------------	---

Project number	GCL2015(10)
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> (i) Enhance increase access to safe and sustainable electricity to achieve the country's Vision 2030 economic blueprint. (ii) Strategize renewable energy development and direct energy sector growth. (i) Promote regional sustainable development. (i) Improve reliability and diversify the energy generation mix. (ii) Ensure environmental and ecological sustainability.
Summary of Project Strategies for achievement of strategic goals	<ul style="list-style-type: none"> (i) To replace the costly power from the Garissa Diesel Power Station, managed by Kenya Electricity Generating Company Limited. (ii) To offer voltage and grid support to the northern frontier counties, reduce the cost of electricity, and boost reliability.
Other important background information of the project	<p>As of 2010, the total installed generation capacity in Kenya was 1,429 MW, with power demand projected to reach 2,500 MW by 2015 and 15,000 MW by 2030.</p> <p>Upon completion, the plant was projected to generate 76.473 GWh, meeting the demand of 70,000 households in Kenya, equivalent to 50% of Garissa town.</p>
Areas that the project was formed to intervene	High cost of thermal generation (Garissa Diesel Power Station) to support the energy needs of Garissa town and its environs.
Project duration	7 Years.

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

Co-operative Bank of Kenya,
 Nairobi Business Centre Branch,
 Account No. 01136125016303,
 Nairobi-Kenya

2.5 Auditors

The project is audited by the:

Auditor-General,
 Office of the Auditor-General,
 Anniversary Towers, University Way,
 P. O. Box 30084-00100,
 Nairobi-Kenya

2.6 Roles and Responsibilities

No.	Names and contact details	Title designation	Key Qualifications	Responsibilities
1.	Eng. Jonathan Mbutu +254722101422 Jonathan.mbutu@rerec.co.ke	Project Coordinator from May 2020	Mechanical and Electrical Engineer	<ul style="list-style-type: none"> • Overall coordination of Project activities. • Coordinate Project implementation activities as per the work plan. • Prepare project

No.	Names and contact details	Title designation	Key Qualifications	Responsibilities
				implementation reports. • Attend project coordination meetings.
2.	CPA Walter Nduta +254707879796 Walter.nduta@rerec.co.ke	Project Accountant from April 2022	BBM(Accounting), C.P.A (K)	• Preparation of the project's financial reports. • Process of project-related payments.
3.	Mr. Festus Kasonzo +254722138880 Festus.kasonzo@rerec.co.ke	Procurement Specialist	Master's Degree in Procurement and Supplies	• Preparation of projects procurement plans • Preparation of bid documents. • Coordinate tendering evaluation and award notifications. • Coordination of procurement

No.	Names and contact details	Title designation	Key Qualifications	Responsibilities
				activities of the project.

2.7 Funding summary

The project has a duration of seven (7) years, from August 21, 2015, to August 20, 2022, with an approved budget of RMB. 867,293,233, equivalent to Kshs. 13,603,571,784. Additionally, the Government of Kenya contributed RMB. 934,800, equivalent to Kshs. 16,826,400, to cover outstanding bills after the credit lapse in the financial year 2022/23 from the exchequer, as highlighted in the table below:

Project Information and Overall Performance (Continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date - (30th June 2024)		Undrawn balance to date - (30th June 2024)	
	RMB	KSHS	RMB	KSHS	RMB	KSHS
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan						
The Export-Import Bank of China (EXIM Bank)	867,293,233	13,603,571,784	866,358,433	13,588,909,363	934,800	14,662,421
(iii) Counterpart Funds						
Government of Kenya (Gok)	934,800	16,826,400	934,800	16,826,400	-	-
Total	868,228,033	13,620,398,184	867,293,233	13,605,735,763	934,800	14,662,421

Project Information And Overall Performance (Continued)

B. Application of Funds

Source of funds	Donor Commitment		Amount received to date - (30th June 2024)		Undrawn balance to date (30th June 2024)	
	RMB	KSHS	RMB	KSHS	RMB	KSHS
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan						
The Export-Import Bank of China (EXIM Bank)	867,293,233	13,603,571,784	866,358,433	13,588,909,363	934,800	14,662,421
(iii) Counterpart Funds						
Government of Kenya (Gok)	934,800	16,826,400	934,800	16,826,400	-	-
Total	868,228,033	13,620,398,184	867,293,233	13,605,735,763	934,800	14,662,421

Project Information and Overall Performance (Continued)

2.8 Summary of Overall Project Performance:

- i) Budget performance against actual amounts for the current year and for cumulative to-date,
- ii) Physical progress based on outputs, outcomes, and impacts since project commencement,
- iii) Comment on value-for-money achievements,
- iv) Indicate the absorption rate for each year since the commencement of the project,
- v) List the implementation challenges and recommended way forward.

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

During the year under review, the project did not receive any budgetary allocation nor incur any expenditures, given its completion status. The cumulative financial records for the project remain unchanged, with total receipts and payments both standing at Kshs. 13,605,735,763. This reflects a balanced financial account, confirming that the project was concluded with no further budgetary requirements or financial transactions during the reporting period.

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

Activities planned for the reporting period	Activity Implementation Status	Remarks
The preparation of project designs for the 50MW Solar Power Plant.	Designs and surveying of projects	Completed
Recruitment of Consultant for the project.	To supervise the construction of solar project	Completed

Recruitment of Construction contractor.	Preparation of bid, advertisements, opening of bids, evaluation of bids and awards of jobs	Completed
Submissions of bonds and guarantees.	For the project.	Completed
Site and design files handling over.	For the project.	Completed
Payment of advance.	For materials both local and foreign	Completed
Factory Acceptance Tests.	For materials already completed was done virtually.	Completed
Delivery of materials.	The timely and efficient delivery of materials required for the project.	Completed
The construction and commissioning of the 50MW solar power plant.	For the 5 Lots awarded.	Completed

iii) Comment on value-for-money achievements

The 50MW solar power plant was completed and commissioned in November 2018. Since its commissioning, the plant has been fully operational, with the generated power integrated into the national grid. The project has effectively fulfilled its intended objectives, and the revenue generated from its operations is being systematically directed towards the repayment of the associated loan. This achievement underscores the project's success in meeting its goals and contributing to the financial sustainability of the investment.

iv) Absorption rate for each year since the commencement of the project.

The project achieved a 99.89% absorption rate, effectively utilizing RMB 866,358,433 (equivalent to Kshs.13,588,909,363) against a total donor commitment of RMB 867,293,233 (equivalent to Kshs.13,603,571,784) for the construction of the 50MW

Project Information and Overall Performance (Continued)

solar power plant. This reflects efficient financial management, with all planned disbursements aligned with the project's milestones.

The successful utilization of 99.89% of the donor commitment underscores not only the project's adherence to budgetary constraints but also its efficiency in capital deployment. The completion of the 50MW Solar Power Plant within the committed budget demonstrates robust financial oversight, stringent adherence to budgetary allocations, and the effective realization of the project's intended outcomes. This outcome is indicative of successful planning, execution, and oversight, ensuring that the project met its financial and operational objectives with precision.

v) Implementation challenges and recommended way forward.

The 50MW Solar Power Plant project was successfully completed, with all construction and operational phases finalized within the allocated budget. However, a land ownership dispute with the local community remains unresolved. The National Lands Commission (NLC) and the Ministry of Energy and Petroleum are actively addressing this issue, with the NLC managing land ownership verification, mediation, and the issuance of the certificate of title, while the Ministry coordinates between the project stakeholders and the community.

Although the project itself is complete, the resolution of the land ownership issue and the formal issuance of the certificate of title are still in progress. Continued efforts by the NLC and the Ministry are crucial for achieving a satisfactory resolution and finalizing all legal aspects related to land ownership.

2.9 Summary of Project Compliance

Throughout the 50MW Solar Power Plant project, adherence to applicable laws, regulations, and external financing agreements was meticulously maintained. There were no significant instances of non-compliance, as the project consistently met all legal and

Project Information and Overall Performance (Continued)

regulatory requirements. This included obtaining necessary permits, following environmental and safety regulations, and ensuring adherence to labor laws. Regular audits and compliance checks ensured that the project remained in strict alignment with these requirements, preventing any potential legal or regulatory issues.

Financially, the project demonstrated robust discipline by adhering to all covenants set by external financiers. This involved meeting specific financial ratios, ensuring timely financial reporting, and maintaining accurate records of fund utilization. The successful utilization of 99.89% of the donor commitment reflects the project's efficient management of capital and highlights its financial prudence. This meticulous financial management reinforced trust and confidence among donors and stakeholders, contributing to the project's overall success.

The project's strong governance frameworks and transparent oversight ensured smooth execution and maintained stakeholder confidence. Regular updates and open communication with stakeholders, including donors and regulatory bodies, reinforced transparency and trust. By upholding rigorous compliance and governance standards, the project not only avoided delays and disruptions but also achieved its financial and operational objectives with precision, demonstrating successful planning and execution.

3. Statement of Performance against Project's Predetermined Objectives

Introduction

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

The key Development Objective of the project's plan are to:

- (i) Enhance increase access to safe and sustainable electricity to achieve the country's Vision 2030 economic blueprint.
- (ii) Strategize renewable energy development and direct energy sector growth.
- (iii) Promote regional sustainable development.
- (iv) Improve reliability and diversify the energy generation mix.
- (v) Ensure environmental and ecological sustainability.

Progress on attainment of strategic development objective.

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:

Project	Objective	Outcome	Indicator	Performance
50 MW Solar Power Plant in Garissa	<ul style="list-style-type: none"> To promote development and use of renewable energy technology. To replace the costly power from the Garissa Diesel Power Station being managed by Kenya Electricity Generating Company Limited. To offer voltage and grid support to the areas in the North Eastern parts of the country 	The successful connection to the national grid	<p>Power generated using renewable energy.</p> <p>Energy contribution in the national energy mix.</p>	<p>In the financial year 2023/2024, the 50MW Solar Power Plant generated 85,299.57 MWh of renewable energy, contributing approximately 1% to the national energy mix.</p> <p>Beyond its significant role in augmenting the country's renewable energy capacity, the plant provides crucial voltage and grid support to Garissa town and its surrounding areas, enhancing the reliability and stability of the local power infrastructure.</p>

4. Environmental and Sustainability Reporting

The project is fundamentally designed to transform lives, embodying the Corporation's core mission and driving every strategic initiative. This purpose is central to our operations and guides our commitment to sustainability. Below, we provide a brief overview of our key activities aimed at advancing sustainability and achieving meaningful impact.

i) Sustainability strategy and profile

The Corporation is committed to promoting sustainable environmental management and utilization of natural resources to generate socio-economic benefits. Measures were put in place in 2019/2020 to ensure sustainable energy resource management. Among them include: Implementation of the Energy Act 2019 through development and review of various regulations that guides on sustainable utilization of energy resources and formulation of Kenya Energy Efficiency and Conservation Strategy and Bio-energy strategy (which aims to promote the development and utilization of bio-energy resources in Kenya in a sustainable manner) both of which are at draft stage; among others.

The Corporation commissioned the grid-connected 50MW Garissa solar power generation plant which is the largest in East and Central Africa. The plant contributes about 1% to the country's energy mix. Further, the Corporation is implementing seven (7) minigrids under the Kenya Electricity Modernization Program (KEMP) and in the process of contracting 31 mini-grids and 380 boreholes for solarization under the KOSAP program. Both programs are funded by the World Bank

REREC also acquired 16 Energy Centres from the MoEP which centres promote uptake and utilization of renewable energy technologies and resources. In addition, the Corporation exhibited renewable energy technologies by participating in 10 Expos, 30 Agricultural Society of Kenya shows.

ii) Environmental performance

The project was subjected to a comprehensive screening process conducted by the Corporation, facilitated by a consultant specifically procured for the Environmental Impact Assessment (EIA). This thorough evaluation assessed potential environmental impacts and compliance with regulatory requirements. Following the detailed analysis, the EIA report was reviewed and accepted, affirming that the project aligns with environmental standards and sustainability objectives. This process underscores the Corporation's commitment to responsible environmental stewardship and adherence to best practices in managing ecological impacts.

iii) Employee welfare

The Corporation's recruitment and HR practices are governed by several key policies: the PSC Recruitment and Selection Policy; the Delegation of PSC HRM Functions to the Cabinet Secretary (July 2018); the Framework for Short Term Employment in the Public Service (May 2019); and the Human Resources Policies and Procedures Manual for the Public Service (May 2016). These policies ensure that recruitment processes adhere to guidelines on promoting common cadre and maintaining gender and regional balance.

For skills enhancement and career development, the Corporation follows the Human Resource Development Policy for the Public Service (June 2015) and the Guidelines on Managing Training in the Public Service. This framework supports individual and group training programs essential for career advancement and compliance with Schemes of Service.

Performance management is conducted through the Performance Appraisal System (PAS), in alignment with the guidelines for Implementation of Performance Rewards and Sanctions in the Public Service and the Performance Rewards and Sanctions Framework.

Additionally, the Corporation has established its own Occupational Safety and Health Policy, referencing the Occupational Safety and Health Act of 2007. An Occupational

Safety and Health Committee oversees adherence to safety standards, ensuring the protection of staff and Corporation assets.

iv) Market Place Practices

a) Responsible Supply chain and supplier relations-

Procurement activities were carried out in strict adherence to the financiers' Procurement Regulations, as outlined in Section 3.7. This ensured transparency, competitiveness, and efficiency in the procurement process, aligning with the regulatory requirements and maintaining the integrity of the project.

b) Responsible ethical practices

To ensure that suppliers/bidders have adequate time to respond to bidding opportunities, the Corporation provides extensions when necessary, particularly if clarifications lead to significant changes in the bidding documents. This approach allows suppliers/bidders to thoroughly review and adjust their submissions in light of revised information, thereby promoting fairness and competitiveness in the procurement process.

c) Regulatory impact assessment

We ensure strict adherence to NEMA regulations during project implementation and actively pursue "green procurement" practices. This approach not only guarantees compliance with environmental standards but also encourages the selection of suppliers who prioritize environmental sustainability, fostering a commitment to eco-friendly practices throughout the supply chain.

v) Community Engagements

The Corporation has implemented several measures to secure community acceptance of its projects. The Ministry and its agencies have established robust mechanisms for engaging local populations throughout project implementation. These measures include the formation of Stakeholders Coordination Committees, which serve as a platform for continuous dialogue and feedback between the Corporation and the community. These committees ensure that community

concerns are heard and addressed promptly, fostering a sense of ownership and collaboration.

Furthermore, the rollout of a comprehensive community engagement strategy and policy has been a cornerstone of these efforts. This strategy outlines clear guidelines for interacting with local populations, ensuring that communication is transparent, inclusive, and respectful of local customs and traditions. It emphasizes the importance of regular updates and consultations, allowing the community to stay informed and involved in every phase of the project.

In addition to strategic engagement, the Corporation has prioritized local community involvement by offering job opportunities during project execution. By hiring local labor, the Corporation not only boosts the local economy but also builds goodwill and trust within the community. This approach helps to mitigate potential conflicts and enhances the community's support for the project.

Moreover, the Corporation has actively included local communities in the land acquisition process. This involvement ensures that the interests and rights of the local populations are safeguarded, and any issues related to land acquisition are resolved amicably. Through transparent negotiations and fair compensation practices, the Corporation has been able to foster local support and participation, crucial for the smooth execution of its projects.

Overall, these measures have significantly contributed to building strong, positive relationships with local communities, ensuring that the Corporation's projects are both sustainable and well-received.

5. Statement of Project Management Responsibilities

The Chief Executive Officer for the Rural Electrification and Renewable Energy Corporation and the Project Manager 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 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 making accounting estimates that are reasonable in the circumstances.

The Chief Executive Officer and the Project Manager for 50MW Solar Power Plant 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 (IPSAS).

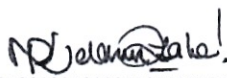
The Chief Executive Officer and the Project Manager for 50MW Solar Power Plant Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2024, and of the Project's financial position as at that date. The Chief Executive Officer and the Project Manager 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.


50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024


The Chief Executive Officer and the Project Manager 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 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 Chief Executive Officer and the Project Manager for 50MW Solar Power Plant on 22nd October, 2024 and signed by them.

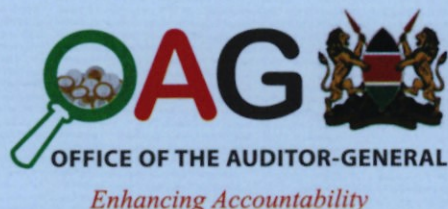

.....
CS Dr. Rose Mkalama
Chief Executive
Officer


.....
Eng. Jonathan Mbutu
Project Coordinator


.....
CPA Walter Nduta
Project Accountant
ICPAK Member No:23665

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON 50MW SOLAR POWER PLANT IN GARISSA PROJECT (GCL NO.2015(10) FOR THE YEAR ENDED 30 JUNE, 2024 – RURAL ELECTRIFICATION AND RENEWABLE ENERGY CORPORATION

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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of 50MW Solar Power Plant in Garissa Project set out on pages 1 to 40, which comprise of the statement of financial

Report of the Auditor-General on 50MW Solar Power Plant in Garissa Project (GCL No.2015(10) for the year ended 30 June, 2024 – Rural Electrification and Renewable Energy Corporation

assets as at 30 June, 2024, and statement of receipts and payments, statement of cash flows and the 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 the 50MW Solar Power Plant in Garissa 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 Financing Agreement No. 2015 (10) dated 31 August, 2015, between the Export - Import Bank of China and the Government of the Republic of Kenya and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the 50MW Solar Power Plant in Garissa Project Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Other Information

Conclusion

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

Basis for Conclusion

In connection with my audit on Solar Power Plant in Garissa Project financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work

I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Adhere to Loan Conditions

Review of the concessional loan agreement for the solar power plant in Garissa project revealed that all principal amounts drawn under the agreement were to be repaid to the lender in twenty-six (26) equal installments as per Article 4(4.3) of the loan agreement. In addition, the entire proceeds of the facility were to be applied by the Borrower for the sole purpose of the payment of approximately one hundred percent (100%) of the commercial contract amount. Further, an Escrow account was to be established and maintained by the End-User (REREC), to collect the revenues generated by the End-User and in which monies held was to secure the repayment of the loan.

However, audit review of an Escrow account maintained at a Commercial bank revealed that on 1 July, 2023 it had an opening balance of USD 17,721,464.69 (Kshs.2,490,282,243) and a closing balance of USD 17,721,457.20 (Kshs.2,295,407,187) on 30 June, 2024. The funds were held in a non-interest-bearing escrow account and were not utilized to repay the loan as required by the financing agreement. In addition, a loan statement to show the current status of the loan was not provided for audit review. As at the time of the audit in September 2024, the escrow account had a balance of Kshs.2,490,282,243 lying idle contrary to Section 83 (2) (c) of the Public Finance Management (National Government) Regulations, 2015 on principles for sound cash management.

In the circumstances, Management was in breach of donor loan agreement condition and there was poor cash management.

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards require 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 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 ISSAIs 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance on 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 the financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls 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 governance.

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

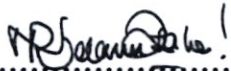
30 October, 2024

50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024


7. Statement of Receipts and Payments for the year ended 30th June 2024

Description	Note	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	Reinstated Cumulative to date
		2023-2024			2022 - 2023			
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts								
Transfer from Government entities (REREC)	1	-	-	-	16,826,400	-	16,826,400	36,831,400
Proceeds from domestic and foreign grants	2	-	-	-	-	-	-	
Loan from external development partners	3	-	-	-	-	-	-	13,588,909,363
Miscellaneous receipts	4	-	-	-	-	-	-	
Total Receipts		-	-	-	16,826,400	-	16,826,400	13,625,740,763
Payments								
Compensation of employees	5	-	-	-	-	-	-	
Purchase of goods and services	6	-	-	-	-	-	-	
Social security benefits	7	-	-	-	-	-	-	
Acquisition of non-financial assets	8	-	-	-	16,826,400	-	16,826,400	13,605,735,763
Transfers to other government entities	9	-	-	-	-	-	-	19,980,013
Other grants and transfers and payments	10	-	-	-	-	-	-	24,987
Total Payments		-	-	-	16,826,400	-	16,826,400	13,625,740,763
Surplus/(Deficit)		-	-	-	-	-	-	-

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


.....
CS Dr. Rose Mkalama
Chief Executive Officer

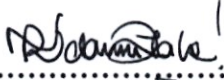

.....
Eng. Jonathan Mbutu
Project Coordinator


.....
CPA Walter Nduta
Project Accountant
ICPAK Member No:23665

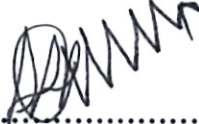
8. Statement of Financial Assets and Liabilities as at 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents	11		
Bank Balances	11.A	-	-
Cash Balances	11.B	-	-
Cash Equivalents (Short Term Deposits)	11.C	-	-
Imprest And Advances	12	-	-
Total Financial Assets (A)		-	-
Financial Liabilities			
Third party Deposits And Retentions	13	-	-
Total Financial Liabilities (B)			
Net Financial Assets (A-B)			
Fund Balance B/Fwd	14	-	-
Prior Year Adjustments	15		-
Surplus/Deficit For The Year		-	-
Net Financial Position		-	-

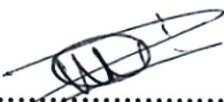
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 22nd October, 2024 and signed by:



CS Dr. Rose Mkalama
Chief Executive Officer



Eng. Jonathan Mbutu
Project Coordinator



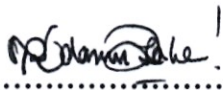
CPA Walter Nduta
Project Accountant
ICPAK Member No:23665

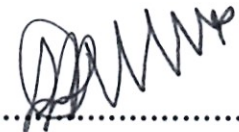
9. Statement of Cash flow for the year ended 30th June 2024


Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cashflows From Operating Activites			
Receipts			
Transfer From Government Entities	1	-	16,826,400
Proceeds From Domestic And Foreign Grants	2	-	-
Miscellaneous Receipts	4	-	-
Total Receipts			
Payments			
Compensation Of Employees	5	-	-
Purchase Of Goods And Services	6	-	-
Social Security Benefits	7	-	-
Transfers To Other Government Entities	9	-	-
Other Grants And Transfers	10	-	-
Total Payments			
Adjustments During The Year			
Prior Year Adjustments	15		-
Decrease/ (Increase) In Accounts Receivables	16	-	-
Increase/(Decrease) In Accounts Payable	17		
Net Cash Flow From Operating Activities		-	16,826,400
Cashflow From Investing Activities			
Acquisition Of Non-Financial Assets	8	-	(16,826,400)
Net Cash Flows From Investing Activities		-	(16,826,400)
Cashflow From Financing Activities			
Proceeds From Foreign Borrowings	3	-	-
Net Cash Flow From Financing Activities		-	-
Net Increase In Cash And Cash Equivalent		-	-
Cash And Cash Equivalent At Beginning Of The Year	11	-	-
Cash and cash equivalent at end of the Year	11	-	-

50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

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 22nd October, 2024 and signed by:


.....
CS Dr. Rose Mkalama
Chief Executive Officer

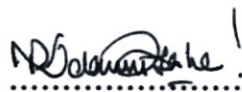

.....
Eng. Jonathan Mbutu
Project Coordinator



.....
CPA Walter Nduta
Project Accountant
ICPAK Member No:23665

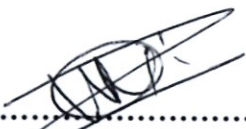
10. Statement of Comparison of Budget and Actual Amounts for the year ended 30th June 2024

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfer from Government entities	-	-	-	-	-	-
Proceeds from domestic and foreign grants	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-	-
Total Receipts	-	-	-	-	-	-
Payments						
Compensation to employees	-	-	-	-	-	-
Purchase of goods and services	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of non-financial assets	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Total Payments	-	-	-	-	-	-
Surplus or Deficit	-	-	-	-	-	-

Note: The significant budget utilisation/performance differences in the last column are explained in **Annex 2** to these financial statements.


.....
CS Dr. Rose Mkalama
Chief Executive Officer


.....
Eng. Jonathan Mbutu
Project Coordinator


.....
Walter Nduta
Project Accountant
ICPAK Member No:23665

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

The financial statements are for the Project 50MW Solar Power Plant Project under the National Government of Kenya. The financial statements are for the reporting entity Project 50MW Solar Power Plant as required by Section 81 of the PFM Act, 2012 .

c) 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.

d) Recognition of receipts

The 50MW solar plant in Garissa Project recognises all receipts from the various sources when the event occurs, and the related cash has actually been received.

i) Transfers from the Exchequer

Transfer from Exchequer is 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)

ii) External Assistance

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

iii) Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements at the time 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 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.

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.

vi) Undrawn external assistance

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

e) Recognition of payments

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

Significant Accounting Policies (Continued)

i) Compensation to employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

f) In-kind donations

In-kind contributions are donations that are made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of

Significant Accounting Policies (Continued)

receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

h) Restriction on cash

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

i) Imprests and Advances

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

Significant Accounting Policies (Continued)

j) Contingent Liabilities

A contingent liability is:

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

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

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

Annex 6 of this financial statement is a register of the contingent liabilities in the year.

k) Contingent Assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Significant Accounting Policies (Continued)

l) Pending bills

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

m) Budget

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

n) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments are disclosed in the payment to third parties’ column in the statement of receipts and payments. During the year, Kshs Nil being loan disbursements were received in form of direct payments from third parties.

Significant Accounting Policies (Continued)

o) Exchange rate differences

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

p) Comparative figures

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

q) Subsequent events

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

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented in note 15 of these financial statements

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	2023-2024	2022-2023	Cumulative to date (from inception)
	Kshs	Kshs	Kshs
Counterpart funding through Ministry of Energy	-	-	-
Counterpart funds Quarter 1			
Counterpart funds Quarter 2			
Counterpart funds Quarter 3			
Counterpart funds Quarter 4			
Total (Annex 3)			
Other transfers from government entities			
Transfer from REREC	-	16,826,400	36,831,400
Total	-	16,826,400	36,831,400

Notes To The Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

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

Name of Donor	Date received	Amount received in donor currency	2023-2024				2022-2023	Cumulative to date
			Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	
			Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)	-	-	-	-	-	-	-	-
Insert name of foreign Government	-	-	-	-	-	-	-	-
Grants Received from Multilateral Donors (International Organizations)	-	-	-	-	-	-	-	-
Insert name of international organization	-	-	-	-	-	-	-	-
Grants Received from Local Individuals and organizations	-	-	-	-	-	-	-	-
Insert name of individual or local organization	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Notes to The Financial Statements (Continued)

3. Loan from External Development Partners

During the financial period to 30 June 2024, we received funding from development partners in form of loans negotiated by the National Treasury as detailed in the table below:

Description Name of Donor	Date received	2023 - 2024				2022 - 2023		Cumulative to date
		Amount in loan currency	Amount Received in Cash	Loan Received as Direct Payment	Total amount	Total amount		
		RMB	Kshs	Kshs	Kshs	Kshs	Kshs	
Loans Received from Bilateral Donors (Foreign Governments)	-							
N/A	-							
Loans Received from Multilateral Donors (International Organisations)	-							
The Export-Import Bank of China (EXIM Bank)		-	-		-	-	13,588,909,363	
Total	-	-	-	-	-	-	13,588,909,363	

Notes to the Financial Statements (Continued)

4. Miscellaneous receipts

Description	2023-2024			2022-2023	Cumulative to date (from inception)
	Receipts controlled by the entity	Receipts controlled by third parties	Total Receipts	Total Receipts	
	Kshs	Kshs	Kshs	Kshs	Kshs
Property income	-	-	-	-	-
Sales of goods and services	-	-	-	-	-
Administrative fees and charges	-	-	-	-	-
Fines, penalties and forfeitures	-	-	-	-	-
Voluntary transfers other than grants	-	-	-	-	-
Other receipts not classified elsewhere	-	-	-	-	-
Total	-	-	-	-	-

Notes to the Financial Statements (Continued)

5. Compensation to Employees

Description	2023-2024			2022-2023	Cumulative to date
	Payments made by the entity in cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Basic salaries of permanent employees	-	-	-	-	-
Basic wages of temporary employees	-	-	-	-	-
Personal allowances paid as part of salary	-	-	-	-	-
Personal allowances paid as reimbursements	-	-	-	-	-
Personal allowances provided in kind	-	-	-	-	-
Pension and other social security contributions	-	-	-	-	-
Compulsory national social security schemes	-	-	-	-	-
Compulsory national health insurance schemes	-	-	-	-	-
Social benefit schemes outside government	-	-	-	-	-
Other Personal Payments	-	-	-	-	-
Total	-	-	-	-	-

Notes to the Financial Statements (Continued)

6. Purchase of Goods and Services

Description	2023-2024			2022-2023	
	Payments made in cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to date
	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	-	-	-	-	-
Communication, supplies and services	-	-	-	-	-
Domestic travel and subsistence	-	-	-	-	-
Foreign travel and subsistence	-	-	-	-	-
Printing, advertising and - information supplies & services	-	-	-	-	-
Rentals of produced assets	-	-	-	-	-
Training expenses	-	-	-	-	-
Hospitality supplies and services	-	-	-	-	-
Insurance costs	-	-	-	-	-
Specialised materials and services	-	-	-	-	-
Other operating payments	-	-	-	-	-
Routine maintenance - vehicles and other transport equipment	-	-	-	-	-
Routine maintenance - other assets	-	-	-	-	-
Exchange rate losses/gains (net)	-	-	-	-	-
Total	-	-	-	-	-

Notes to the Financial Statements (Continued)

7. Social Security Benefits

Description	2023-2024			2022-2023	Cumulative to date
	Payments made by the Entity in cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Government pension and retirement benefits	-	-	-	-	-
Social security benefits in cash and in kind	-	-	-	-	-
Employer social benefits in cash and in kind	-	-	-	-	-
Total	-	-	-	-	-

Notes to the Financial Statements (Continued)

8. Acquisition of Non-Financial Assets

Description	2023 - 2024			2022 - 2023	Cumulative to date
	Payments made by the Entity in cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Procurement of project materials and execution of project works	-			16,826,400	13,605,735,763
Total	-	-	-	16,826,400	13,605,735,763

Notes:

- a. Procurement of Project Materials: For the Turkey project, procurement involved assessing material needs and managing logistics to ensure timely and accurate delivery. Materials were inspected and confirmed upon arrival to ensure readiness for use.
- b. Execution of Project Works: The execution phase included detailed planning and scheduling by the contractor, site preparation, and the installation of systems and equipment. Quality control was maintained through regular inspections, and progress was monitored to adhere to the timeline and budget. The project concluded with a final inspection and formal handover.

Notes to the Financial Statements (Continued)

9. Transfers to other Government Entities

During the financial period to 30 June 2024, we transferred funds to reporting government entities as shown below:

Description	2023 - 2024			2022 - 2023	Cumulative to date
	Payments made by the Entity in cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers to National Government entities					
Main Entity (REREC)	-	-	-	-	19,980,013
Transfers to County Government					
N/A					
Total	-	-	-	-	19,980,013

Notes to the Financial Statements (Continued)

10. Other Grants, Transfers and Payments

Description	2023 - 2024			2022 - 2023	Cumulative to date
	Payments made by the Entity in cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Bank Charges	-	-	-	-	24,987
Total	-	-	-	-	24,987

Notes to the Financial Statements (Continued)

11. Cash And Cash equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank accounts (Note 11.A)	-	-
Cash in hand (Note 11.B)	-	-
Cash equivalents (short-term deposits) (Note 11.C)	-	-
Total	-	-

11. A Bank Accounts

Project Bank Accounts

Description	2023-2024	2022-2023
	Kshs	Kshs
Foreign Currency Accounts		
Total foreign currency Balances	-	-
Local Currency Accounts		
Co-operative Bank of Kenya (A/c No.01136125016303)		
Total local currency balances	-	-
Total bank account balances	-	-

Note:

The project maintained a single account, strategically positioned within the project implementation area to facilitate financial management and operational efficiency.

Special Deposit Accounts

As of 30th June 2024, the project did not maintain an operational special deposit account.

Notes to the Financial Statements (Continued)

11. B Cash in hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Location	-	-
Total cash in hand balances	-	-

11. C Cash equivalents (short-term deposits)

Description	2023-2024	2022-2023
	Kshs	Kshs
Kenya Commercial Bank	-	-
Co-Operative Bank of Kenya	-	-
Others (<i>Specify</i>)	-	-
Total cash equivalents	-	-

12. Imprests and Advances

Description	2023-2024	2022-2023
	Kshs	Kshs
Government Imprest and Advances	-	-
Salary advances	-	-
Total	-	-

Notes to the Financial Statements (Continued)

12A: Breakdown of Imprests and Advances

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance 2023-2024	Balance 2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Officer 1	-	-	-	-	-
Officer 2	-	-	-	-	-
Programme 1	-	-	-	-	-
Total	-	-	-	-	-

13. Deposits and Retention Monies

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Retention		-		-
Deposits		-		-
Total		-		-
Ageing analysis:	2023/2024	% of the Total	2022/2023	% of the total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

14. Fund Balance Brought Forward

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

Notes to the Financial Statements (Continued)

15. Prior Year adjustment

Description of the error	Balance b/f 2022/2023 (audited financial statements)	Adjustments	Adjusted balance b/f 2022/2023
	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Imprests and advances	-	-	-
Deposits and retentions	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

16. Changes in Imprest and Advances

Description	2023-2024	2022-2023
	Kshs	Kshs
Opening Receivables as at 1 st July 2023	-	-
Closing account receivables as at 30 th June 2024	-	-
Change in Imprest and Advances	-	-

17. Changes in Accounts Deposits and Retention

Description	2023-2024	2022-2023
	Kshs	Kshs
Deposit and Retentions as at 1 st July 2023	-	-
Closing accounts payables as at 30 th June 2024	-	-
Change in Deposits and Retention	-	-

13. Other Important Disclosures

1. Pending Accounts Payable (See Annex 4a)

Description	Balance b/f 2022/2023	Additions for the period	Paid during the year	Balance c/f 2023/2024
	Kshs	Kshs	Kshs	Kshs
Construction of buildings	-	-	-	-
Construction of civil works	-	-	-	-
Supply of goods	-	-	-	-
Supply of services	-	-	-	-
Total	-	-	-	-

2. Pending Staff Payables (See Annex 4b)

Description	Balance b/f 2022/2023	Additions for the period	Paid during the year	Balance c/f 2023/2024
	Kshs	Kshs	Kshs	Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Union employees	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

3. Other Pending Payables (See Annex 4c)

Description	Balance b/f 2022/2023	Additions for the period	Paid during the year	Balance c/f 2023/2024
	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
Total	-	-	-	-

Other Important Disclosures (Continued)

4. External Assistance

Description	2023-2024	2022-2023
	Kshs	Kshs
External assistance received as grants		
External assistance received as loans	-	-
External assistance received in kind- as payment by third parties	-	-
Total	-	-

a) External assistance relating loans and grants

Description	2023/2024	2022/2024
	Kshs	Kshs
External assistance received as loans		
External assistance received as grants	-	-
Total		

b) Undrawn external assistance

Description	Purpose for which the undrawn external assistance may be used	2023/2024	2022/2023
		Kshs	Kshs
Undrawn external assistance - loans	Not Applicable	14,662,421	14,662,421
Undrawn external assistance - grants	Not Applicable	-	-
Total		14,662,421	14,662,421

Note: The undrawn amount at credit lapses amounted to Kshs. 14,662,421, which is equivalent to RMB 934,800.

50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

Other Important Disclosures (Continued)

c) Classes of providers of external assistance

Description	2023-2024	2022-2023
	Kshs	Kshs
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

d) Non-monetary external assistance

Description	2023-2024	2022-2023
	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

e) Purpose and use of external assistance

Payments made by third parties	2023/2024	2022/2023
	Kshs	Kshs
Compensation to employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other Government entities	-	-
Other grants and transfers	-	-
Social Security benefits	-	-
Acquisition of assets	-	-
Finance Costs including loan interest	-	-
Repayment of principal on domestic and foreign borrowing	-	-
Other payments	-	-
Total	-	-

Other Important Disclosures (Continued)

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.

Description	2023/2024	2022/2023
	Kshs	Kshs
International assistance organization- China Exim Bank	-	-
Total	-	-

5. Payments by third party on behalf of the project

This relates to payments done directly to supplier on behalf of the project such as; national government may fund the operation of health or education program; a donor may pay directly for construction of a given activity.

5.1 Classification by Source

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

5.2 Classification of payments made by third parties by nature of expenses

Payments made by third parties		2023 - 2024	2022 - 2023
Description		Kshs	Kshs
Compensation of employees		-	-
Use of goods and services		-	-
Subsidies		-	-
Transfers to other government units		-	-
Other grants and transfers		-	-
Social security benefits		-	-

50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

Payments made by third parties	2023 - 2024	2022 - 2023
Description	Kshs	Kshs
Acquisition of assets	-	-
Finance costs, including loan interest	-	-
Other payments	-	-
Total	-	-

6. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The comprise of related parties to the Project

- i) Key management personnel including the program director/manager
- ii) The implementing entity/ministry/ department
- iii) Other Ministries and Departments.
- iv) The National Treasury

Related party transactions:

Description	2023-2024	2022-2023
	Kshs	Kshs
Compensation to Key Management		
Compensation to the program manager/ director	-	-
Key Management Compensation others (specify)	-	-
Total Compensation to Key Management	-	-
Transfers to related parties		
Transfers to other government entities	-	-
Total Transfers to related parties	-	-
Transfers from related parties		
Transfers from the Ministry/ department	-	-
Payments made on behalf of the project by other govt. entities (REREC)	-	16,826,400
(Insert any other transfers received)	-	-
Total Transfers from related parties	-	16,826,400

Other Important Disclosures (Continued)

7. Contingent Liabilities

Contingent liabilities	2023 - 2024	2022 - 2023
	Kshs	Kshs
Court case against the project	-	-
Bank guarantees in favour of other govt. entities	-	-
contingent liabilities arising from PPPs/ donor agreements	-	-
Total	-	-

(Give details- Update Annex 6 Contingent liabilities register)

8. Land Ownership

The project has been completed, and the land identification and sourcing phase was effectively supported by the Ministry of Energy and Petroleum, the Ministry of Lands, Public Works, Housing, and Urban Development, the County Governments of Garissa, and the National Land Commission. Suitable land was successfully identified and utilized for the project's implementation.

The land on which the project is located was being claimed by the Raya Community Trust Self Help Group. The group had already instituted a legal suit against the Corporation, seeking compensation for the 220 acres of land on which the project is situated. The court case, Garissa ELC Cause No. 15 of 2018, Raya Community Trust Self Help Group vs. Ministry of Energy (MOE) & 5 others, was concluded, and the court dismissed the case on April 24, 2023.

In October 2023, the Corporation formally approached the County Government of Garissa to request the formalization of land allocation for the 50MW solar plant project. The County Government responded positively, indicating their willingness and readiness to conduct the necessary planning exercise. However, they requested facilitation from the Corporation to proceed with the planning activities.

In response, the Corporation facilitated the planning exercise, ensuring that all necessary resources and support were provided. Currently, the Corporation, in collaboration with the Garissa County Government, is actively engaged in the planning exercise. This phase involves

Other Important Disclosures (Continued)

detailed preparation and review of the land use plans, ensuring they meet all regulatory and developmental requirements.

Following the completion of the planning exercise, the County Government will process the approved Part Development Plans (PDPs). These plans are crucial as they outline the specific land use and development guidelines for the allocated land, ensuring that the 50MW solar plant project adheres to local planning regulations.

The next step in the process will be conducting a comprehensive land survey. This survey is essential to accurately delineate the boundaries and assess the land's suitability for the solar plant. However, the survey will be contingent upon the availability of funds, which the Corporation will need to secure.

Finally, once the survey is completed and all planning documents are in order, the process will culminate at the National Land Commission (NLC). The NLC will oversee the registration of ownership documents, officially transferring the land rights to the Corporation. This final step is critical to secure legal ownership and ensure the project can proceed without any legal hindrances. Below is a summary:

Other Important Disclosures (Continued)

S/No's	Project Location	Land Characteristics	Land Status	Remarks
1.	Garissa County	The land is public land that was set aside by local communities specifically for public infrastructure projects. The reserved land has been effectively utilized for the project's implementation.	The process of securing a Certificate of Title for the land is underway.	The project, completed with Government support and dismissed legal claims, is now in the final stages of formalizing land ownership, pending planning reviews, a land survey, and the issuance of ownership documents by the National Land Commission

50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

14. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Detailed Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1	<p>Disputed Ownership of Land for the Solar Power Plant</p> <p>Review of the financial records for the Project revealed that the Corporation has incurred cumulatively a total of Kshs. 16,826,400 in the implementation of the 50 MW Solar Power Plant in Garissa as at 30 June, 2023.</p> <p>However, information provided for audit review confirmed that the land on which the Project is located was being claimed by Raya Community Trust Help Group. It was also confirmed that the Group has already</p>	<p>Management wishes to clarify that the cumulative expenditure for the project totals Kshs.13,605,735,763, contrary to the previously reported Kshs. 16,826,400 by the Auditor General, which solely pertains to the final technical services retention for the fiscal year 2022/23.</p> <p>The court hearing scheduled for April 24, 2023, disclosed that the plaintiffs failed to appear on two separate occasions, indicating a lack of interest in pursuing the case. Consequently, the court dismissed the plaintiff's action due to non-attendance and lack of prosecution, awarding the defendants</p>	<p>Not Resolved. (The process to obtain the certificate of title for the land is still ongoing.)</p>	<p>Continuous until a certificate of title is issued.</p>

50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Detailed Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>instituted a legal suit against the Corporation seeking compensation for the two hundred and twenty (220) acres of land on which the Project is located. The court case Garissa ELC Cause No. 15 Of 2018 Raya Community Trust Self Help Group vs Ministry of Energy (MOE) & 5 others was concluded, and the court dismissed the case on 24 April, 2023.</p> <p>Management explained that compensation to the affected community was to be done through the County Government of Garissa. The compensation payment through the County Government has been rejected by the Raya Community Trust Help Group who are seeking to have the compensation paid</p>	<p>the costs of the suit.</p> <p>In response to the dismissal of the case concerning the Solar Plant Land, the Corporation addressed a letter to the County Government of Garissa on July 7, 2023, requesting expedited formalization of the land allocation. The County Government, which holds the unregistered community land in trust for the local communities, has yet to provide a response detailing the requirements, including community compensation, necessary to proceed with land ownership formalization.</p> <p>Upon reaching a consensual agreement, the registration process and acquisition of the certificate of title from the Registrar will commence. Management is diligently</p>		

50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Detailed Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>directly to them. Further, the amount claimed by the Trust Help Group has not been quantified.</p> <p>The Government has not shown the willingness to have the communal land transferred to Rural Electrification and Renewable Energy Corporation (REREC). The position of the land where the project lies has not been clarified.</p> <p>In the circumstances, the ownership of the Solar Power Plant valued at Kshs.16,826,400 could not be confirmed since it is located on a disputed parcel of land.</p>	<p>coordinating with all relevant stakeholders to ensure the completion of the land ownership procedure and the issuance of the Certificate of Title. This proactive approach is evidenced by the allocation of a dedicated budget line for land registration costs in FY 2023/24, covering expenses related to the Garissa Solar Plant Land.</p>		

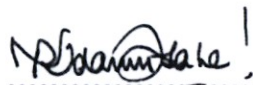
50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Detailed Management comments	Status: (Resolved / Not Resolved)	Timeframe:
No.2	<p>Long Outstanding Pending Bills</p> <p>Note 1 under other important disclosures to the financial statements reflects pending bill balance of Kshs.16,826,400 brought forward from 2021/2022 financial year which was paid during the year under audit. Review of the financial statements of the Kenya Electricity Generating Company PLC (Kengen) showed that Company had received and from REREC for the operation and maintenance of the 50MW Garissa Solar Plant in 2022/2023 and 2021/2022 financial years respectively. Similarly, review of the Kenya Power and Lighting Company PLC had paid REREC a total of Kshs.672,454,000 comprising of non-fuel costs of Kshs.616,189,000 and unrealized</p>	<p>During the audit, it was noted that a pending bill of Kshs. 16,826,400, related to final technical services retention (Certificates Nos. 13 and 14), was identified. At the time of receiving these certificates, the credit availability period had expired, and no budget line item was allocated for this expense. Additionally, the Corporation had paid Kengen for Operation and Maintenance costs as planned, while KPLC's remittance of Kshs. 672,454,000 was deposited into an Escrow Account for loan repayment, to which the Corporation is not a signatory.</p> <p>For FY 2022/23, the Corporation allocated Kshs. 16,826,400 as a priority expense and made the payment accordingly. The payment</p>	Resolved	N/A


50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Detailed Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>foreign exchange costs of Kshs.56,265,000.</p> <p>Therefore REREC delayed in payment of the pending bills even though it had the funds to settle the bills within the year it was incurred or a first charge in the following year which was not adhered to.</p> <p>In the circumstances, the Management was in breach of the law.</p>	<p>could only be processed after proper budgetary consideration. Management has included a budget of Kshs. 16,995,000 as a priority charge for FY 2022/23 and completed the payment in full.</p>		

Signed by:



.....
CS Dr. Rose Mkalama
Chief Executive Officer



.....
Eng. Jonathan Mbutu
Project Coordinator

*50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024*

Annex 2: Variance Explanations - Comparative Budget and Actual Amounts for FY 2023-2024

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

50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

Annex 3: Reconciliation of Inter-Entity Transfers

Project Name: 50MW Solar Power Plant in Garissa			
Break down of transfers from the State Department of Energy			
A. Government Counterpart funding			
	<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	Indicate the FY to which the amounts relate
	Not Applicable	0.00	Not Applicable
	Total	0.00	
B. Direct payments			
	<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	Indicate the FY to which the amounts relate
	Not Applicable	0.00	Not Applicable
	Total	0.00	
C. Others			
	<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	Indicate the FY to which the amounts relate
	Not Applicable	0.00	Not Applicable
	Total	0.00	
	Total (A+B+C)	0.00	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department

Project Coordinator
(REREC)

Sign:.....



Head of Accounting Unit
(Ministry Of Energy)

Sign:.....



50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

Annex 4a: Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted/Invoiced	Original Amount	Amount Paid To-Date	Outstanding Balance 2023/2024	Outstanding Balance 2022/2023	Comments
		a	b	d=a-c		
		Kshs	Kshs	Kshs	Kshs	
Consultancy Services		-	-	-	-	
Sub-Total		-	-	-	-	
Construction of civil works		-	-	-	-	
Sub-Total		-	-	-	-	
Supply of Goods and services		-	-	-	-	
Sub-Total		-	-	-	-	
Grand Total		-	-	-	-	

Note;

There were no pending bills associated with the project. All financial obligations have been fully addressed, ensuring that there are no outstanding payments or invoices. As a result, the project's financial aspects have been completely and accurately closed, confirming that all financial matters have been resolved in accordance with contractual agreements.

50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

Annex 4b: Analysis of Pending Staff Bills

Name of Staff	Job Group	Date Payable Contracted	Original Amount	Amount Paid To Date	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Permanent Employees - Management							
1.							
Sub-Total							
Permanent Employees - Others							
2.							
Sub-Total							
Temporary employees							
3.							
Sub-Total							
Others (specify)							
4.							
Sub-Total							
Grand Total							

Note: There were no outstanding staff-related bills associated with the project.

50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

Annex 4c: Analysis of Other Pending Payables

Name	Brief Transaction Description	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2023/2024	Outstanding Balance 2022/2023	Comments
Amounts due to National Govt Entities							
1.							
Sub-Total							
Amounts due to County Govt Entities							
2.							
Sub-Total							
Amounts due to Third Parties							
3.							
Sub-Total							
Others (specify)							
4.							
Sub-Total							
Grand Total							

Note: There were no other pending payables associated with the project.

50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

Annex 5: Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2023/2024	Donations in form of assets (KShs) 2023/2024	Purchases/ Additions in the Year (KShs) 2023/2024	Disposals in the Year (KShs) 2023/2024	Transfers in/(out) Kshs 2023/2024	Closing Cost (KShs) 2024
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)-(d)+(-)d
Over Head Distribution	9,621,349,081	0.00	3,984,386,682	0.00	0.0	13,605,735,763
Total	9,621,349,081	0.00	3,984,386,682	0.00	0.0	13,605,735,763

Notes: Prior Year adjustments.

In accordance with International Public Sector Accounting Standard No. 3 (IPSAS 3), any material errors from prior periods are required to be corrected retrospectively. This involves restating the comparative amounts in the first set of financial statements authorized for issue upon the discovery of the error.

The nature of the error, the amount of the correction, and the impact on the financial statements for both the current and prior periods have been fully disclosed to ensures transparency and adherence to accounting standards, providing a clear understanding of the adjustments made and their effects on the financial statements.

During the financial year 2023/24, a detailed reconciliation revealed that the initial advance payment of RMB 260,187,970, equivalent to Kshs. 4,107,743,595, was not recorded in the previous financial statements. Additionally, Kshs. 123,356,913 was adjusted downward to correct foreign exchange rate discrepancies as a result of using the CBK exchange rates prevailing at the dates of the transactions. This issue impacted the accuracy of the reported financial position and raised potential compliance concerns with accounting standards. Immediate corrective measures were taken, including adjustments to the financial records to reflect accurate figures.

Annex 6: Contingent Liabilities Register

No.	Nature of contingent liability	Payable to	Estimated Amount Kshs	Expected date of payment	Remarks
1.	200 acres Communal Land compensation	Raya Community Trust Self Help Group	Not Applicable	Not Applicable	The Raya Community instituted a court case Garissa ELC CAUSE NO. 15 OF 2018 - Raya Community Trust Self Help Group vs. MOE & 5 Others. On April 26, 2023, the court dismissed this case. The procedure of obtaining a title certificate is still ongoing.

50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

Annex 7: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Note: There was no information regarding the reporting of climate-relevant expenditures.

Annex 8: Disaster Expenditure Reporting Template

Column I Programme	Column II Sub-programme	Column III Disaster Type	Column IV Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Column V Expenditure item	Column VI Amount (Kshs.)	Column VII Comments

Note: There was no information regarding disaster expenditure reporting.

50MW Solar Power Plant In Garissa Project
Annual Report and Financial Statements for the financial year ended 30 June, 2024

Annex 9: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2024
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance