

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

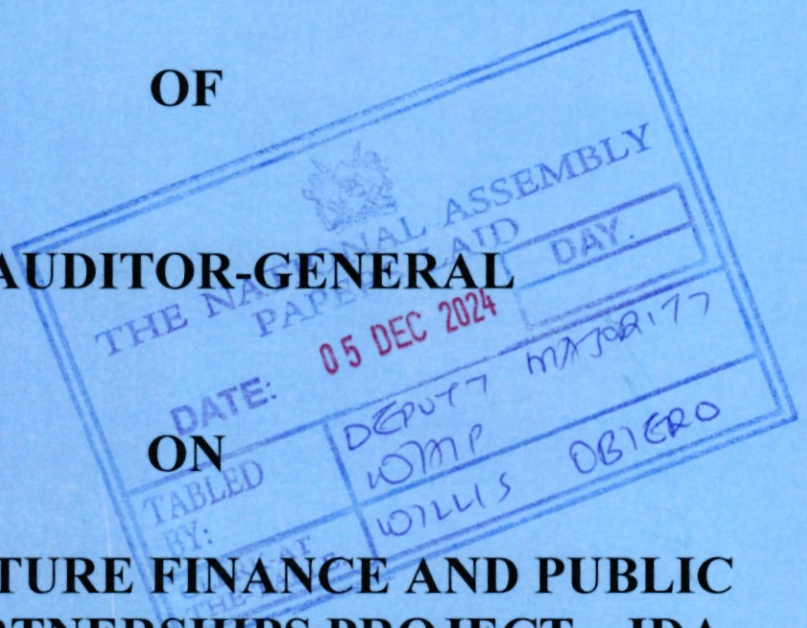
THE AUDITOR-GENERAL

ON

**INFRASTRUCTURE FINANCE AND PUBLIC
PRIVATE PARTNERSHIPS PROJECT – IDA
CREDIT NO.5157-KE**

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

THE NATIONAL TREASURY





**PROJECT NAME: INFRASTRUCTURE FINANCE PUBLIC PRIVATE
PARTNERSHIPS**

**IMPLEMENTING ENTITY: THE NATIONAL TREASURY AND ECONOMIC
PLANNING**

PROJECT GRANT/CREDIT NUMBER: 51570-KE

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)**

Infrastructure Finance Public Private Partnerships Project (IFPPP)
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1. Acronyms and Definition of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
CT	County Treasury
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year
NT	National Treasury
IFPPP	Infrastructure Finance Public Private Partnership
PPPD	Public Private Partnership Directorate

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is **Infrastructure Finance Public Private Partnerships (IFPPP) Project**

Objective

The key objective of the project is **to improve the enabling environment to generate a Pipeline of bankable Private Public Partnerships (PPP) projects**

Address

The project headquarters offices are at:

Reinsurance Plaza, 6th Floor

Taifa Road

Nairobi

KENYA

Contacts: The following are the project contacts

P.O. Box: 30007 – 00100

NAIROBI

Telephone: (254) 020 -2732080

E-mail: info@pppunit.go.ke

Website: www.pppu.go.ke

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	The project start date is 11 th February,2013
Project End Date	30 th September,2024
Project Coordinator:	Mr Christopher Kirigua, MBS
Project Sponsor.	International Development Association

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the National Treasury and Economic Planning
Project number	51570 –KE
Strategic goals of the project	Overall Objective- to increase private investment in the Kenyan infrastructure market across sectors and to sustain this participation over an extended period of time. This involves two key areas of development: (i) improving the enabling environment; and (ii) generating a bankable pipeline of potential transactions. Specific Objective- to improve the enabling environment to generate a pipeline of bankable PPP projects
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Support to PPP institution (ii) Legal and regulatory reform (iii) Institutional development for Financial Products (iv) PPP Pipeline preparation (v) Improvements to Fiscal Commitments and Contingent Liability Risk Management Framework (vi) Support to project management

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<p>Other important background information of the project</p>	<p>By helping to strengthen the PPP framework, the IFPPP APL will assist GoK to develop a solid foundation to systematically prepare PPPs and realize the benefits of PPPs more effectively. This will foster increased private investments in infrastructure, increased employment opportunities, improved service delivery to enterprises and the population in general, improved fiscal impact on Government from better project preparation, more balanced risk allocation, increased transparency, wider quality control, greater efficiency, and enhanced financial sector support. This framework will enable an increase in the availability and quality of infrastructure in different sectors to boost enterprise growth and productivity and improve the well-being of Kenyans. The current IFPPP APL1 project period was extended to October 2022 and again to June 2023. The GOK requested for an additional USD 50 million World Bank funding for IFPPP-Additional Financing (IFPPP-AF) project. The funding is for the period 2017-2022.</p> <p>The funding for IFPPP-AF was signed on 7th August, 2017 and the project became effective from 21st December, 2017.</p>
<p>Current situation that the project was formed to intervene</p>	<p>The project was formed to intervene in the following problems/gaps:</p> <p>COMPONENT 1: INSTITUTIONAL SUPPORT AND REGULATORY REFORM</p> <p>(i) Subcomponent 1A – Support to PPP Institutions The objectives of this sub-component are to support the establishment and functioning of the PPP Unit at the National Treasury and PPP Nodes in selected line Ministries and to build the capacity of GoK stakeholders to implement the PPP program through training, experience exchange, technical assistance, awareness and communication programs.</p> <p>b) Subcomponent 1B – Legal and Regulatory Reform The objective of this sub-component is to support PPP policy dialogue and implementation of the PPP Act, including preparation and adoption of the Regulations and effective implementation.</p>
	<p>Subcomponent 1C – Institutional Development for Financial Products and PPP Approaches The objective of this sub-component is to support institutional arrangements for a range of financing instruments such as viability gap funding, guarantees, infrastructure funds, financial intermediary lending facilities and development of local capital markets.</p> <p>COMPONENT 2: PPP PIPELINE PREPARATION The objective of this component is to assist contracting authorities with ensuring that the first projects to come before the PPP Committee are well prepared, bankable and take into account lessons learned from previous PPP projects, the privatization program in Kenya and regional and international experience.</p>

	<p>COMPONENT 3: IMPROVEMENTS TO FISCAL COMMITMENT AND CONTINGENT LIABILITY (FCCL) RISK MANAGEMENT FRAMEWORK</p> <p>The objective of this component is to provide support and guidance to the National Treasury and other relevant agencies on the fiscal commitment and risk framework associated with infrastructure, with emphasis on contingent liabilities from PPPs.</p> <p>COMPONENT 4: SUPPORT FOR PROGRAM MANAGEMENT</p> <p>A Project Implementation Unit (PIU) was established within the National Treasury from inception of the Project to provide the fiduciary safeguards, monitoring and evaluation (M&E) expertise required for the implementation of the IFPPP project in accordance with Bank policies and requirements.</p>
Project duration	11 years

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

(i) Special Deposit Account

Kenya Commercial Bank Ltd

University Way Branch

University Way

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IDA Credit No.51570-KE-Acconunt No.1136321365

(ii) Local Project Account

Kenya Commercial Bank Ltd

University Way Branch

University Way

NAIROBI

IFPPP – Account No.1138915874

2.5 Independent Auditor

The project is audited by the

The Auditor General

Anniversary Towers

University Way/Monrovia Street

NAIROBI

2.6 Roles and Responsibilities

Project Governance

The Project's governance framework requires the stakeholders to uphold the highest professional, ethical, moral and legal standards. This is achieved through effective segregation of duties with clear checks and balances as articulated in the Project Loan/Credit Agreement, the PFM Project Design Implementation Manual and the Finance and Procurement Manuals.

The Public Private Partnerships Committee (PPPC)

This Committee is responsible for overseeing the implementation of the Project in line with its mandate in the PPP Act 2021 and PFF Regulations 2017 which includes, approving the annual work plan and budget, and ensuring that the activities are in compliance with the donor and government policies.

International Development Association (IDA)

IDA under the World Bank is the project sponsor. They are responsible for reviewing and approving the project's withdrawal applications, expenditure justifications, no objection requests, reviewing and approving the annual work plan and budget, expenditure category reallocation request, and participating in implementation support missions.

The National Treasury and Economic Planning

The National Treasury and Economic Planning is the parent ministry ensures that the Project's budget is captured in its development projects and disbursement of exchequer transfers. The ministry reviews and tracks the Project's annual work plan and budget against the set targets and makes the approvals. The parent ministry also oversees the execution of the project coordinating team.

The Auditor

The Supreme Audit Institution in Kenya, that is, the Office of the Auditor General, is mandated by the Constitution of Kenya Chapter 12, Part 6, Article 229 which establishes the Office of the Auditor General Chapter 15, Article 248, Section 3 and Article 249, Section 2 (a) and (b) and section 10 of the Public Audit Act, 2015 provide for the independence of the Office of the Auditor General.






The Auditor General is mandated to audit all national government entities, which include government development projects and present these statutory financial statements to the Parliament. This facilitates the submission of the audited report to the project's sponsors by 31 December each year.

Project Coordinating Team (PCT)





This team is based in Nairobi and is responsible for the project management and coordination functions. The PCT comprises of the Project Coordinator and a team of Technical Officers. The PCT is also supported by other administrative staff

These key staff, who form the project coordinating team that is involved in the day to day management of the project and its implementation are:

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Names	Title designation	Key qualification	Responsibilities
 Mr. Christopher Kirigua, MBS	Director General, PPPD	<ul style="list-style-type: none"> • Bachelor of Science BS Accounting and Finance • Harvard Kennedy School Senior Executive Learning Program on PPPs and Project Finance 	Provides Overall Leadership for the Kenya Public Private Partnership Program and support to the project implementation.
 Mr. Samwel O. Onyango	Head of Finance & Admin.	<ul style="list-style-type: none"> • MBA Finance • BCom Finance • CPA (K) 	Oversee all the PPPD Financial Management Matters.
 Mr. Wycliffe Paul Ondieki	Monitoring and Evaluation Expert	<ul style="list-style-type: none"> • Master of Education (Educational Psychology) • Bachelor of Education (Mathematics & B. Studies) 	Establish & oversee implementation of the Monitoring & Evaluation Function & System for the Project
 Mr. Kennedy Onyonyi	Head of Capacity Development	<ul style="list-style-type: none"> • Masters International Relations. • Postgraduate Diploma in Public Relations. • B-COM 	In charge of PPPD Capacity Building.
 Edwin Ombaka	Project Internal Auditor	<ul style="list-style-type: none"> • MBA Finance • BCOM Accounting • CPA(K) • CISA • ISACA • IIA 	Oversee Internal Audit Functions

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 Edgar Kamara	Financial Modeler	<ul style="list-style-type: none"> • Bachelor of Economics • Masters in Finance and Investment 	In Charge of project origination, structuring and financial modeling.
 Monicah Mwangi	Procurement Expert	<ul style="list-style-type: none"> • Master of Science in Procurement and Contract Management. • Bachelor of Commerce- Purchasing and Supplies. • Graduate Diploma - Chartered Institute of Purchasing & Supply • Certified Public Private Partnership-CP3P • Member- Kenya Institute of Supplies Management (KISM) • Chartered Institute of Purchasing and Supplies 	In charge of procurement within PPP Directorate.
 Ms. Neala Wanjala	Director Legal	<ul style="list-style-type: none"> • Bachelor of Laws 	In Charge of Legal Matters at PPP Directorate.
 Ms. Christine Ng'ang'a	Director, Origination and Structuring	<ul style="list-style-type: none"> • B.A. in Economics and Political Studies • MPA in Policy and Finance • Post Graduate Diploma in Ecommerce and Internet Technologies 	

2.7 Funding summary

The Project is for a duration of 11 years from December 2012 to September 2024 with an approved budget of US\$ 40 Million equivalent to Kshs 4.0 Billion as highlighted in the table below

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2024)		Undrawn balance to date	
	USD	Kshs	USD	Kshs	USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
(i) Loan						
International Development Association -IDA	40.00 Million	4.00 Billion	35.916 Million	3,605,237,314	4.084Million	0.508 Billion
Total	40.00 Million	4.00 Billion	35.916 Million	3,605,237,314	4.084Million	0.508 Billion

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2024)		Cumulative amount paid to date – (30 th June 2024)		Unutilised balance to date (30th June 2024)	
	<i>USD</i>	<i>Kshs</i>	<i>USD</i>	<i>Kshs</i>	<i>USD</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Loan						
International Development Association - IDA	35.916 Million	3,605,237,314	31.862 Million	3,580,371,764	4.084Million	24,865,550
Total	35.916 Million	3,605,237,314	31.862 Million	3,580,371,764	4.084Million	24,865,550

Note: The amount in the Financial Assets and Liabilities is Kshs.42,864,098 while unutilised balance above is Kshs.24,865,550,the difference Kshs.17,998,548 is miscellaneous receipt as shown in note 2

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,

Description	Actual on Comparable Basis	Budget Utilization Cummulative to date
	a	b
Receipts		
Proceeds from borrowings	9,757,144	3,605,237,314
Miscellaneous receipts	-	17,998,548
Total Receipts	9,757,144	3,623,235,861.7
Payments		
Compensation of employees	96,913,120	546,436,004
Purchase of goods and services	62,102,068	681,716,473.95
Social Security Benefit	178,200	289,440
Other Operating Expenditure		2,280,757,955
Acquisition of Non-Financial Assets	71,171,892	71,171,892
Total payments	230,365,280	3,580,371,764.95
Surplus/Deficit	(220,608,136)	42,864,096.75

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

The IFPPP project achieved the objective level performance targets by end 2016. Thus, the performance reported in the table below is as was in 2016. The tracking of the outcome indicators stopped in 2016 and focus shifted to tracking the outcomes of the IFPPP-Additional Financing, which commenced in 2017.

Project	Indicator	Performance (Outcomes)
Overall Objective- to increase private investment in the Kenyan infrastructure market across sectors and to sustain this participation over an extended period of time. This involves two key areas of development: (i) improving the enabling environment; and (ii) generating a bankable pipeline of potential transactions.		
Specific Objective- to improve the enabling environment to generate a pipeline of bankable PPP projects.		
Infrastructure Finance Public Private Partnerships (IFPPP)	(i) Indicator 1- Expression of Interests (EOIs) issued to prospective sponsors for three targeted PPP transactions. <i>End Target-</i> 6 EOIs by end of Project. <i>(The base year/baseline year for IFPPP-AF was December 2016, the GOK and the World Bank agreed that for indicators that are in both the IFPPP and IFPPP-AF, project achievements from January 2017 be reported in IFPPP-AF reports. Thus, the number of EOIs reported here</i>	Performance for Indicator 1 – 9 EOIs were issued by end of 2016. The EOIs were for the following projects: Phase 1-Roads 10,000 Annuity programme, Mombasa Port Development Project (MPDP)-2 nd Container Terminal, 800 MW LNG Power Plant Dongo Kundu, 105 MW Menengai Phase 1(3 EOIs), Kenyatta University Student Hostels, Civil Servants Housing project, Multi-level Car Park in Nairobi CBD.

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	<p>are those that had been issued as at December 2016. The EOIs issued between January-June 2018 and subsequent ones are reported in the IFPPP-AF reports)</p> <p>(ii) Indicator 2- PPP Regulations associated with the new Law agreed to with the National Treasury. <i>End Target-</i> Yes</p> <p>(iii) Indicator 3- PPP Fiscal Commitment and Contingent Liability Framework operationalized as measured by: upstream Debt Management Department (DMD) due diligence on prospective (feasibility stage) transactions completed in line with Law. <i>End Target-</i> Yes</p> <p>(iv) Indicator 4 Regular issuance of Government benchmark bonds in medium and long-term maturities up to 7/10-year tenures. <i>End Target-</i> At least one issue by maturity bucket per year and minimum size of benchmark issue.</p>	<p>Performance for Indicator 2 – Yes The National PPP Regulations- these were xvigazette in December 2014 and submitted to the Parliamentary Committee.</p> <p>Performance for Indicator 3 – Yes The FCCL framework was approved by the PPP Committee on 6th June 2018. FCCL assessments had been done for 14 projects (includes 5 mover projects) by end 2016.</p> <p>Performance for Indicator 4 – The Government issued the following bonds during the period 2014-2017; Two 1yr bonds, Six 2yr bonds, Three 5yr, One 7yr, Two 9yr, Six 10yr, Three 12yr, Two 15yr.</p>
	<p>COMPONENT 1</p> <p><i>The Intermediate Results (IR) indicators under component 1 were dropped at the project restructuring done in 2018. The indicators are:</i> (i) <i>Capital Markets Authority Bill 2011 approved by Cabinet for submission to Parliament</i> (ii) <i>Securities and Investments Bill 2011 approved by Cabinet for submission to Parliament.</i></p> <p>COMPONENT 2</p> <p>(i) Indicator 1- Five Feasibility Studies completed and submission by contracting authorities to the PPC (PPP Committee) acceptable to the Association, including Safeguards. <i>End Target-</i> 5</p> <p><i>The base year/baseline year for IFPPP-AF was December 2016, the GOK and the World Bank agreed that project achievements starting January 2017 be documented under IFPPP-AF. Thus, the Feasibility Study (FS) reports reported here are those approved as at December 2016. The FS reports approved starting January 2017 onwards are documented/reported under IFPPP-AF.</i></p> <p>(ii) Indicator 2- Line Ministries and Agencies “Nodes” for First Mover Transactions established and operational.</p>	<p>N/A</p> <p>COMPONENT 2</p> <p>Performance for Indicator 1- 11 The PPP Committee had approved a total of 11 Feasibility Studies as at end of FY 2016. The approved feasibility studies were for the following projects: Kenyatta University Student Hostels, Road Annuity (phase 1), Nairobi-Nakuru Mau Summit Highway, O&M of Nairobi Southern By Pass, O&M of Nairobi-Thika Road, Dualling of Nairobi-Mombasa Highway, 460MW Menengai Phase I, Mombasa Port Development Project (MPDP) – 2nd Container Terminal Phase II & III, 800MW Liquified Natural Gas (LNG) Power Plant at Dongo Kundu, Civil Servants Housing Project, Multi-Storey Car Park and Commercial Facility in Nairobi CBD.</p> <p>Performance Indicator 2- Yes</p>

	<p><i>End Target- 2</i></p> <p>COMPONENT 3</p> <p>(i) <i>Indicator 1-</i> PPP Fiscal Commitment and Contingent Liability Framework, including Disclosure Procedures approved by the Cabinet Secretary, National Treasury.</p> <p><i>End Target- Yes</i></p>	<p>A total of 70 PPP Nodes have been established and operational in various government Ministries and Agencies</p> <p><i>Performance for Indicator 3-</i> The PPP Committee approved the FCCL framework in June 2018. The Disclosure Framework was approved by the PPPC on 17th May, 2018. The FCCLs are disclosed by the annual debt report prepared by the PDMO.</p>
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There are activities that are planned for implementation under the IFPPP Project in FY 2023/24. The activities are organised/presented around the six objectives of the PPP Directorate. Progress on the physical implementation of these activities is highlighted in the table below;

S.NO	Output	Activities	Target FY 2023/24	Status in Q4	Remarks
	Objective 1: To increase private investments in PPP Projects for the provision of public goods to Kenyans				
1.1	Projects Transaction Advisory - Ongoing				
1.1.6	Development, Operation and Maintenance of Nairobi-Nakuru- Mau Summit Road	• Project Financial Close achieved	Financial Close achieved	The CA submitted request to PPPC for cancellation of the PPP contract. The PPPC approved the request and the cancellation process commenced during the FY	There is an outstanding payment to the TA, which shall be processed in the next FY
1.1.7	Development and Operation of Tolling Operator	Complete Feasibility Study, Updating Traffic Study and ESIA for Toll Plazas for the Nairobi-Nakuru- Mau Summit Road	Feasibility study approved	Feasibility Study was finalized by end of FY 2022/23 and report was submitted for approval. Approval of the report is however pending further guidance from the CA	There is an outstanding payment to the TA, which shall be processed in the next FY
1.2.8	Projects Origination Done				
1.2.8.1	Conduct Workshops/Meetings internally or with Contracting Authorities/ other relevant Government Agencies on project origination (includes screening, Pre-Feasibility Study)	Hold project origination sessions, draft project proposals	No. of workshops held	No workshops have been held	The workshops were supported under IFPPP-AF
1.2.9	Conferences and workshops supported			(i) PPP Directorate was represented in the Africa Investment Forum held in Marrakesh, Morocco from 8 th to 10 th November 2023 (ii) The PPP Committee was represented in the Powering Africa	

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S.NO	Output	Activities	Target FY 2023/24	Status in Q4	Remarks
				Summit held in Washington DC, from 5 th to 6 th March 2024 (iii) The PPP Directorate was represented in the Africa CEO Forum held in Kigali, Rwanda from 16 th – 17 th May 2024	
Objective 2: To provide ongoing internal PPP advisory and capacity building in the various stages of the PPP project cycle					
2.1	PPP Technical (Legal, Technical, Financial) reviews for PPP projects provided	Undertake review of project proposals, project studies and other project documents	No. of advisories issued (disaggregated by programme thematic areas)	Technical advisories were issued for projects, both those in the Pipeline and those under the screening process	
2.2	Organize capacity building for the PPPD and staff from MCDAs	Preparation and implementation of capacity building activities	35 admin/ support staff trained	The trainings were funded under IFPPP-AF	
Objective 3: To promote program monitoring and learning practices for improved delivery of PPP services					
3.1	Reporting				
3.1.1	Preparation of contractual reports of projects supporting the PPP program finalized	Preparation of Progress Reports for program funding projects	Timely preparation and submission of reports	FY 2023/24 Q1, Q2 and Q3 Financial Statements for IFPPP were finalized and submitted	
3.1.2	Preparation of statutory PPP reports finalized	Statutory monitoring reports in place	Timely preparation and submission of reports	The following reports were prepared and submitted; -PPP Directorate Performance contract report for Q1 Q2 and Q3 FY 2023/24 - Q1, Q2 and Q3 IFPPP Report on Report of Externally Funded Projects was finalized and submitted	

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S.NO	Output	Activities	Target FY 2023/24	Status in Q4	Remarks
3.1.3	Preparation of FY 2022/23 Annual Report on State of Public Private Partnerships in Kenya finalized	Preparation of the Annual PPP Report completed	Preparation of the Annual PPP Report 2022/2023 approved and disseminated by 30 th August 2023	The Annual PPP Report was finalized and submitted to the PPP Committee and Parliament in Q1 FY 2023/24	
3.1.4	Hold workshop to prepare end-of-year reports	Prepare and hold workshop	1 workshop held	PPP Directorate was represented in the following 2 workshops: - Workshop to prepare new Strategic Plan (2023/24- 2027/28) for the National Treasury and Planning. Workshop was held 10 th – 19 th December 2023. - Workshop on P.A.Y.E I-Tax Ledger Reconciliation held in Naivasha 6 th – 29 th November 2023.	
Objective 5: To enhance visibility of the PPP Program					
5.12	Hold Roundtable Meetings with Investors	Hold roundtable meetings with investors	No. of Roundtable meetings held	There were no Roundtable meetings held during the FY	
Objective 6: To strengthen capacity of the PPP Directorate to deliver quality PPP program services					
6.1.10	Hospitality, Supplies and Services		Timely provision of hospitality services	Activity was not catered for under the project during Q1 and Q2. However, the activity was catered for in Q3 and Q4	
6.1.12	Fuel oil and lubricants	Facilitate fueling of vehicles	Timely facilitation	Activity was not catered for under the project during Q1 and Q2. However, the activity was catered for in Q3 and Q4	
6.1.13	Vehicle Maintenance	Facilitate vehicle maintenance	Timely facilitation	Activity was not catered for under the project during Q1 and Q2. However, the	

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S.NO	Output	Activities	Target FY 2023/24	Status in Q4	Remarks
				activity was catered for in Q3 and Q4	
6.1.14	Air time for staff	Facilitate provision of airtime to staff	Timely facilitation	Airtime was provided to staff.	
6.1.15	General Office Maintenance of equipment, furniture	Facilitate office maintenance	Timely maintenance	Activity was not catered for under the project during Q1 and Q2. However, the activity was catered for in Q3 and Q4	
6.1.16	Renovation of the main kitchen, faulty lighting system, Replacement window blinds, broken tiles and worn-out carpet, door locks, handles & hinges	Procurement of contract, implementation renovations	Complete procurement of contractor, complete renovations	Development of specifications is underway	
6.1.17	Salary for casual staff	Facilitate payments	Timely payments	The activity was catered for under the Project during Q1, Q2, Q3 and Q4	

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

F/Y	BUDGET	EXPENDITURE	PERCENTATGE
2023/2024	443,360,000.00	230,365,280.00	52%
2022/2023	94,360,000.00	33,683,775.00	36%
2021/2022	495,638,120.00	65,162,272.00	13%
2020/2021	155,790,100.00	74,105,348.00	48%

iv) List the implementation challenges and recommend the next step

There were no significant challenges experienced during the Financial Year apart from delay in getting the revised

2.9 Summary of Project Compliance:

- i) The Directorate complied with applicable laws and regulations, e.g., treasury circulars on project investment management, PFM Act 2012 and Kenya Vision 2030 flagship projects, and essential external financing agreements/covenants,

3. Statement of Performance against Project's Predetermined Objectives

Introduction

Section 81(2)(f) /Section 164 (2)(f) of the Public Finance Management Act, 2012, requires that the Accounting Officer include a statement of the national government entity's performance against predetermined objectives at the end of each financial year.

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

- a) Overall Objective- to increase private investment in the Kenyan infrastructure market across sectors and to sustain this participation over an extended period of time. This involves two key areas of development:
 - (i) improving the enabling environment; and
 - (ii) generating a bankable pipeline of potential transactions.
- b) Specific Objective- to improve the enabling environment to generate a pipeline of bankable PPP projects

c) Progress on the attainment of strategic development objectives

To implement and cascade 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 to track progress and performance measurement.

Below, we provide the progress on attaining the stated objectives:

Project	Objective	Indicator	Performance
<p>Infrastructure Finance Public Private Partnerships (IFPPP)</p>	<p>Overall Objective- to increase private investment in the Kenyan infrastructure market across sectors and to sustain this participation over an extended period of time. This involves two key areas of development: (i) improving the enabling environment; and (ii) generating a bankable pipeline of potential transactions.</p> <p>Specific Objective- to improve the enabling environment to generate a pipeline of bankable PPP projects.</p>	<p>(i) Indicator 1- Expression of Interests (EOIs) issued to prospective sponsors for three targeted PPP transactions. <i>End Target-</i> 6 EOIs by end of Project. <i>(The base year/baseline year for IFPPP-AF was December 2016, the GOK and the World Bank agreed that for indicators that are in both the IFPPP and IFPPP-AF, project achievements from January 2017 be reported in IFPPP-AF reports. Thus, the number of EOIs reported here are those that had been issued as at December 2016. The EOIs issued between January-June 2018 and subsequent ones are reported in the IFPPP-AF reports)</i></p> <p>(ii) Indicator 2- PPP Regulations associated with the new Law agreed to with the National Treasury. <i>End Target-</i> Yes</p> <p>(iii) Indicator 3- PPP Fiscal Commitment and Contingent Liability Framework operationalized as measured by: upstream Debt Management Department (DMD) due diligence on prospective (feasibility stage) transactions completed in line with Law. <i>End Target-</i> Yes</p> <p>(iv) Indicator 4 Regular issuance of Government benchmark bonds in</p>	<p>Performance for Indicator 1 – 9 EOIs were issued by end of 2016. The EOIs were for the following projects: Phase 1-Roads 10,000 Annuity programme, Mombasa Port Development Project (MPDP)-2nd Container Terminal, 800 MW LNG Power Plant Dongo Kundu, 105 MW Menengai Phase 1(3 EOIs), Kenyatta University Student Hostels, Civil Servants Housing project, Multi-level Car Park in Nairobi CBD.</p> <p>Performance for Indicator 2 – Yes The National PPP Regulations- these were xxiii gazette in December 2014 and submitted to the Parliamentary Committee.</p> <p>Performance for Indicator 3 – Yes The FCCL framework was approved by the PPP Committee on 6th June 2018. FCCL assessments had been done for 14 projects (includes 5 mover projects) by end 2016.</p> <p>Performance for Indicator 4 – The Government issued the following bonds during the period 2014-</p>

Infrastructure Finance Public Private Partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Project	Objective	Indicator	Performance
		medium and long-term maturities up to 7/10-year tenures. <i>End Target-</i> At least one issue by maturity bucket per year and minimum size of benchmark issue.	2017; Two 1yr bonds, Six 2yr bonds, Three 5yr, One 7yr, Two 9yr, Six 10yr, Three 12yr, Two 15yr.

4. Environmental and Sustainability Reporting

i. Sustainability strategy and profile

The IFPPP benefits from the sound legal and regulatory reform and well-established institutional capacity, helping foster private sector investment in a more efficient and sustainable manner and thus bridging the country’s infrastructure gap.

Currently, a big proportion of PPP program work is supported with funding of an IDA credit under the IFPPP and IFPPP-AF. The two projects are closing in June 2024. The two projects were restructured within FY 2022/23, wherein the project funding balances for the non-operations components of the projects will be disbursed to the Project Facilitation Fund (PFF), thus facilitating use of the balances for the PP program, beyond the project closure date.

Further, the PFF is fully operational thus allowing the PPP Directorate to crowd in additional resources from the budget of National Treasury, other Development Partners, success fees from successful bidders, tariffs, levies, appraisals fees for Privately Initiated Proposals, etc. The Directorate continues to engage with a number of strategic partners to explore opportunities for strategic and technical assistance for the program and also complementary synergies in PPP program work. These engagements are yielded positive results, highlights which are listed below;

Strategic Partner	PPP Program Activities Supported
1. Public – Private Infrastructure Advisory Facility (PPIAF)	<ul style="list-style-type: none"> o Development of Business plan for Viability Gap Funding o Development of PPPD Communications and Stakeholder Engagement Strategy and PPP Marketing Communications Strategy
2. Private Infrastructure Development Group (PIDG)	<ul style="list-style-type: none"> o Transaction Advisory for Smart Street Lighting Project o Transaction Advisory University Of Nairobi Purpose Built Student Accommodation Project
3. United States International Development Agency (USAID)	<ul style="list-style-type: none"> o Transaction Advisory for Meru and Greater KORA Conservation Project
4. Africa Legal Support Facility (ALSF)	<ul style="list-style-type: none"> o Review of Government of Government Support Measures policy (2018) o Development of template government support documents in Water, health and Toll Roads sectors o Development of toolkit documentation in Water, health and Toll Roads sectors o Capacity building on development of Special Economic Zone (SEZ) projects, including review of SEZ frameworks o Technical review and development of templates and forms for the PFF o Supplementary Technical Advisory for 2nd Nyali Project
5. Japanese International Cooperation Agency (JICA)	<ul style="list-style-type: none"> o Retained services for PPP Advisor for the PPP Directorate
6. Korean Ministry of Lands, Infrastructure and Transport	<ul style="list-style-type: none"> o Sponsorship of 1 staff for Masters Program in Infrastructure

ii.Environmental performance

All PPP projects are subjected to environmental and social assessments, prior to implementation. This ensures that appropriate environmental impact mitigation measures are integrated during the implementation phase of the project. Further, the Directorate is currently developing a Framework for facilitating Low Carbon and Climate Resilient Infrastructure PPPs in Kenya.

iii.Employee welfare

The Staff establishment and recruitment is as per the Project Appraisal Document and the Project Implementation Manual. (Ref: component 3: Support for Program Management in non- financials section).

iv.Marketplace practices-

a) Responsible Supply chain and supplier relations-

PPP Directorate- IFPPP, sources goods and services from across the country and around the world to meet the requirements of the Directorate. As such, we aim in our procurement to be transparent, accountable and fair, and to provide value for money in meeting the Directorate needs. Suppliers are welcome to bid for any contracts that they believe are suitable; the contact person is advertised in each case.

PPP Directorate-IFPPP, is an equal opportunity organization and promotes equal opportunity throughout the unit. All tenders are open to suitably qualified parties.

All procurement entities as well as bidders and service providers, i.e., suppliers, contractors, and consultants have to observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraphs 1.16 and 1.17 of the Procurement Guidelines and paragraph 1.23 and 1.24 of the Consultants Guidelines, in addition to the relevant Articles of the Kenya Public Procurement Laws which refer to corrupt practices.

b) Responsible ethical practices

All complaints and reports on corruption or alleged corrupt dealings must be reported to the Ethics and Anti-Corruption Commission (EACC) in accordance with the Anti-Corruption and Economics Crimes Act, 2003 and the Ethics and Anti-Corruption Commission Act, 2011. Information can be provided to EACC in writing, by telephone or by presenting it personally to the Commission's Report Centre at Integrity Centre. Alternatively, information can also be relayed to the World Bank Integrity Vice Presidency office (INT) which is responsible for the investigation of internal and external allegations of misconduct and fraud. The department is also expected to design preventive measures

that can protect Bank Group resources - which are, for the most part, public funds – from corruption and abuse.

Procurement complaints are handled in accordance with the procedures prescribed in the World Bank Procurement and Consulting Services Guidelines (2011 or as amended). For complaints arising from contracts procured using the Public Procurement and Assets Disposal Act (PPDA), 2015, they would be handled in accordance with the provisions stipulated in the PPDA. Public procurement in Kenya is governed by an Act of parliament and public procurement regulations that lay down rules and regulations to be followed by all those involved in it.

The Law and the Regulations are: -

- The Public Procurement and Assets Disposal Act (PPDA), 2015.
- The Public Procurement and Assets Disposal Regulations, 2020. The Regulations are meant to assist in the application and implementation of the PPDA.

c) Regulatory impact assessment

In order to get the broadest possible interest from eligible bidders and consultants, a General Procurement Notice (GPN) are prepared by the project and published in United Nations Development Business online (UNDB online), on the Bank's external website and in at least 1 national newspaper, and a technical or financial magazine of wide international circulation (as the case may be if bidding is required from International parties), as well as a widely used electronic portal with free national and international access; after the project is approved by the Bank Board, and/or before Project effectiveness. The borrower and PPP Directorate-IFPPP keep a list of received answers from potential bidders interested in the contracts.

Specific Procurement Notices for all goods and works to be procured under International Competitive Bidding (ICB) and Expressions of Interest for all consulting services to cost the equivalent of US\$200,000 and above are also published in the United Nations Development Business online (UNDB online), on the Bank's external website, as well as a widely used electronic portal with free national and international access; and a technical or financial magazine of wide international circulation in addition to the widely circulated national newspapers. For works /goods using National Competitive Bidding (NCB), the Specific Procurement Notice (SPN) is published in widely circulated national newspapers in the country. The National Competitive Bidding (NCB) and other post review contracts are published in a widely used website or electronic portal with free

national and international access within two weeks of the award decision and in the same format as in the preceding paragraph.

v. Community Engagements

The IFPPP does not have funds directly allocated to provide services for community engagements/CSR. However, the IFPPP does support some of the Government activities done during the construction and implementation of PPP projects. Such activities include field monitoring of delivery of the project services, including compliance with environmental and social requirements for the project. Other interventions also contribute directly to CSR

The Project Company for the 35 MW Sosian-Mengai Geothermal Power Plant PPP Project has undertaken various CSR initiatives in Bahati and Rongai sub-counties, including distributing 200,000 litres of clean drinking water to 18 schools, donating furniture and stationery to Machiaro Primary School, and providing waste wood for cooking in 18 schools around Menengai crater. In addition, the company deployed heavy machinery, including motor graders, dump trucks, and backhoes, to clear blocked tunnels and prevent flooding at the Wanyororo Bahati trading center. Besides the company donated reusable sanitary pads to 1,300 schoolgirls across six Caldera schools and provided food supplies worth 500,000 shillings to 1,000 of the most vulnerable individuals in the community, including the elderly, single parents, orphans, and people with disabilities

5. Statement of Project Management Responsibilities

The **Principal Secretary** for The National Treasury and the **Project Coordinator** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for the financial year ended on June 30, 2024.

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

The Principal Secretary/NT and the Project Coordinator accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.


The Principal Secretary/NT and the Project Coordinator are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June 30, 2024, and of the Project's financial position as at that date. The Principal Secretary/NT and the Project Coordinator 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 and the adequacy of the systems of internal financial control. The Principal Secretary/NT and the Project Coordinator 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 Principal Secretary of the National Treasury and the Project Coordinator on 25/9/ 2024 and signed by:

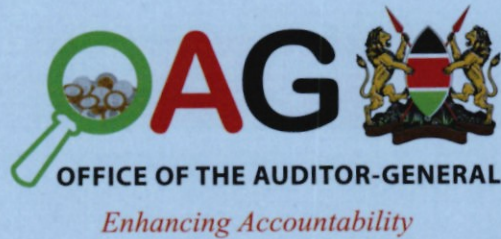

.....
Dr. Chris Kiptoo, CBS
Principal Secretary/NT


.....
Christopher Kirigua, MBS
Project Coordinator
Director General/PPPD


.....
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Head of Finance and Admin
ICPAK Member No:4639

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT – IDA CREDIT NO 5157-KE FOR THE YEAR ENDED 30 JUNE, 2024 – THE NATIONAL TREASURY

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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 Infrastructure Finance and Public Private Partnerships Project – IDA Credit No. 5157-KE set out on pages 1 to 17

Report of the Auditor-General on Infrastructure Finance and Public Private Partnerships Project – IDA Credit No. 5157-KE for the year ended 30 June, 2024 – The National Treasury

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Infrastructure Finance and Public Private Partnerships 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. 5157-KE between the International Development Association and the Government of Kenya and Public Finance Management Act, 2012.

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

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of Comparison of Budget and Actual Amounts reflects final receipts budget and actual on comparable basis of Kshs.443,360,000 and Kshs.9,757,144 respectively resulting to an under-funding of Kshs.433,602,856 or 98% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.443,360,000 and Kshs.230,365,280 respectively resulting to an under-expenditure of Kshs.212,994,720 or 48% of the budget.

The under-funding and under-expenditure affected the planned activities and impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Management is responsible for the other information set out on page (ii) to (xxix) which comprise of project information and overall performance, statement of performance against predetermined objectives, environmental and sustainability reporting and statement of management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Project's 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.

My opinion on the financial statements does not cover the Other Information and, accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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 matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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

1. Use of Expired Access to Government Procurement Opportunities (AGPO) Certificate

During the year under review, the Project procured four (4) different types of mechanical bulk fillers at different prices totalling Kshs.2,900,000. However, the winning bidder had submitted an expired AGPO certificate. This is contrary to Section 80(2) of the Public

Procurement and Asset Disposal Act, 2015 which requires evaluation and comparison to be done using the procedures and criteria set out in the tender documents.

In the circumstances, Management was in breach of the law.

2. Irregularities in Contract for Consultancy to Provide Transaction Advisory Services for the Development, Operation and Maintenance of Nairobi-Nakuru-Mau Summit Highway Project

The statement of receipts and payments reflects an amount of Kshs.71,171,892 in respect of acquisition of non-financial assets which, as disclosed in Note 7 to the financial statements, includes Kshs.51,173,762 in respect of research, project preparation, design and supervision studies for consultancy to provide transaction advisory services for the development, operation and maintenance of Nairobi-Nakuru-Mau Summit Highway.

The contract was entered into between The National Treasury and a Consultant in Joint Venture with another firm on 25 February, 2015 at a contract sum of USD2,823,379 or Kshs.79,189,428 expiring on 24 August, 2016.

Review of the contract documents revealed the following unsatisfactory matters;

- (i) As at 30 June, 2024, the contract had been extended by a total of 94 months equivalent to 7 years and 10 months.
- (ii) Four out of the seven addendums entered into were signed when the previous addendums had already lapsed meaning that the contract was irregular as a lapsed contract could not be extended as envisaged in Section 139(2)(a) of the Public Procurement and Asset Disposal Act, 2015.
- (iii) Although Management has provided Transaction Advisor (TA) Close Out Report for the consultancy dated January, 2024, review of Letter Ref: KeNHA/10/NNM/VOL 11/0558 dated 26 April, 2024 from Kenya National Highways Authority (KeNHA) revealed that the TA submitted the Close Out Report before conducting lessons learnt workshops as per the contract.
- (iv) Further, although the objective of the Consultancy was provision of Advisory Services for a Private Public Partnership (PPP) tender to be awarded through competitive bidding as a concession agreement to a project company for the development, operation and maintenance of the Nairobi-Nakuru-Mau Summit Highway, the status of the envisaged development of the Highway was not provided for audit review.

In the circumstances, Management was in breach of the law and value for money for the Kshs.51,173,762 incurred on the consultancy could not be confirmed.

3. Irregularities in Hiring of New Staff

The statement of financial performance reflects compensation of employees amount of Kshs.96,913,120 as disclosed in Note 3 to the financial statements. During the year under review, the Project recruited seventeen (17) new members of staff. However, no evidence was provided to confirm that the Management obtained concurrence from the Bank as required by Part A.3(a) of Section 1, Schedule 2 of the amended Financing Agreement which requires the recipient to maintain the PPP Directorate with an institutional framework, composition, functions, facilities and other resources in accordance with the relevant laws of the recipient and as satisfactory to the Bank.

In the circumstances, Management was in breach of the Financing Agreement.

4. Expenditure without Workplan

The statement of receipts and payments reflects total payments amounting to Kshs.230,365,280. However, although the project had an approved budget of Kshs.443,360,000 and actual expenditure of Kshs.230,365,280, Management provided a work plan approved by the Public Private Partnerships (PPP) Committee for activities totalling to Kshs.94,359,384. This contrary to Part A.2(b)(ii) of Section 1, Schedule 2 of the amended Financing Agreement which provides that the PPP Committee shall provide overall policy direction, strategic guidance and general oversight of the project, including the review and approval of the Annual Work Plans and Budgets.

In the circumstances, Management was in breach of the Financing Agreement.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 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, based on the audit procedures performed, except for the matter described in the Basis for Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Weaknesses in the Management of Imprest for Daily Subsistence Allowance

The statement of receipts and payments reflects expenditure on purchase of goods and services amounting to Kshs.62,102,068 which includes Kshs.1,400,138 and Kshs.55,475,928 in respect of foreign travel and subsistence allowance and training respectively, totalling to Kshs.56,876,066 as disclosed in Note 4 to the financial statements. Review of the expenditure indicates that three (3) staff were paid daily subsistence allowance amounting to Kshs.10,227,800 during the year. The cumulative number of days paid to each of the staff meant that the staff were in the field for most part of the year.

Although Management indicated that the three officers were not the sole recipients of the allowances and that their names were used solely for imprest accounting purposes, this system is susceptible to abuse as the secondary recipients may not be liable for imprest issued to them through other officers. Further, there is no assurance that the imprest will be paid to the intended staff by the officers receiving the imprest on their behalf.

In the circumstances, the effectiveness of management control over imprest for daily subsistence allowance could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by IDA Credit No. 5157-KE, I report, based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.
- ii. Adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as the 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 going concern, disclosing, as applicable, matters related to going concern and using the applicable basis of accounting unless the 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 November, 2024

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

Description	Notes	Receipts and payments controlled by the project	Payments made by third parties	Total	Receipts and payments controlled by the project	Payments made by third parties	Total	Cummulative to-date (from inception)
		2023/2024			2022/2023			
		KSh.	KSh.	KSh.	KSh.	KSh.	KSh.	
RECEIPTS								Kshs
Loan from external development partners	1	9,757,144	-	9,757,144	-	-	-	3,605,237,314
Miscellaneous receipts	2	-	-	-	-	-	-	17,998,548.00
TOTAL RECEIPTS		9,757,144	-	9,757,144	-	-	-	3,623,235,861.70
PAYMENTS								
Compensation of employees	3	96,913,120	-	96,913,120	11,422,493	-	11,422,493	546,436,004.00
Purchase of goods and Services	4	62,102,068	-	62,102,068	22,205,122	-	22,205,122	681,716,473.95
Social Security Benefits	5	178,200	-	178,200	56,160	-	56,160	289,440.00
Other Operating expenses	6	-	-	-	-	-	-	2,280,757,955.00
Acquisition of Non Financial Assets	7	71,171,892	-	71,171,892	-	-	-	71,171,892.00
TOTAL PAYMENTS		230,365,280	-	230,365,280	33,683,775	-	33,683,775	3,580,371,764.95
SURPLUS/ (DEFICIT) FOR THE YEAR		(220,608,136)	-	(220,608,136)	(33,683,775)	-	(33,683,775)	42,864,096.75

*Infrastructure Finance Public Private Partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024*

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



.....
Dr. Chris Kiptoo, CBS
Principal Secretary/NT



.....
Christopher Kirigua, MBS
Project Coordinator
Director General/PPPD



.....
CPA Samwel O. Onyango
Head of Finance and Admin/PPPD
ICPAK Member No:4629


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

Description	Notes	2023/24	2022/23
		KSh.	KSh.
FINANCIAL ASSETS			
Cash and Cash Equivalents	8	42,864,098	42,864,098
Total cash and Cash Equivalents		42,864,098	263,472,235
TOTAL FINANCIAL ASSETS		42,864,098	263,472,235
REPRESENTED BY:			
Fund balance b/fwd	9	263,472,234	276,473,344
Surplus/(Deficit) for the year		(220,608,136)	(33,683,775)
Refund from IFPPP- AF		-	20,682,665
NET FINANCIAL POSITION		42,864,098	263,472,234


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 25/9/ 2024 and signed by:



Dr. Chris Kiptoo, CBS
Principal Secretary/NT



Christopher Kirigua, MBS
Project Coordinator
Director General/PPPD



CPA Samwel O. Onyango
Head of Finance and Admin
ICPAK Member No:4629

Infrastructure Finance Public Private Partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

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

Description	Note	2023/24 KSh.	2022/2023 KSh.
Cashflow from Operating activities			
Receipts for operating activities			
Miscellaneous receipts			-
Total Receipts		-	-
Payments for operating activities			
Compensation of employees	3	(96,913,120)	(11,422,493)
Purchase of goods and services	4	(62,102,068)	(22,205,122)
Social Security Benefits	5	(178,200)	(56,160)
Acquisition of Non Financial Assets	7	(71,171,892)	
Total Payments		(230,365,280)	(33,683,775)
Adjusted for :			
Adjustments during the year			
Decrease/ (Increase) in Receivables		-	20,682,665
Net cash flow from operating activities			(33,683,775)
Cashflow from investing activities			
		-	
Net cash flows from Investing Activities			(65,162,272)
Cashflow from financing activities			
Proceeds from Foreign Borrowings	1	9,757,144	-
Net cashflow from financing activities		9,757,144	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(220,608,136)	-
Cash and Cash Equivalent at the BEGINNING of the year		263,472,233	276,473,343
Cash and Cash Equivalent at the END of the year	8	42,864,097	263,472,233

Infrastructure Finance Public Private Partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

10. Statement of Comparison of Budget and Actual Amounts for the Year ended 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%
	KSh.	KSh.	KSh.	KSh.	KSh.	%
RECEIPTS						
IDA Loan	2,093,530,000	1,650,170,000	443,360,000	9,757,144	433,602,856	2%
TOTAL RECEIPTS	2,093,530,000	1,650,170,000	443,360,000	9,757,144	433,602,856	
PAYMENTS						
Compensation of employees	400,000,000	-	100,291,525	97,091,320	3,200,205	97%
Purchase of goods & services	1,607,967,541	1,651,700,000	66,365,000	62,102,068	4,262,932	94%
Acquisition of Non-Financial Assets	85,562,459	-	91,099,457	71,171,892	19,927,565	78%
Transfer to PFF			185,604,018	-	185,604,018	
TOTAL PAYMENTS	2,093,530,000	1,651,700,000	443,360,000	230,365,280	212,994,720	
SURPLUS/(DEFICIT) FOR THE YEAR				(220,608,136)	220,608,136	

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

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. 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 IFPPP Project under the National Treasury of June 30, 2024, as required by Section 81/ Section 164 of the PFM Act, 2012.

c) Reporting currency

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

d) Recognition of receipts

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

i) Transfers from the Exchequer

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

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

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

iv) 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.

v) Undrawn external assistance

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

e) Recognition of payments

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

i) Compensation to employees

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

Significant Accounting Policies (continued)

ii) Use of goods and services

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

iii) Acquisition of fixed assets

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

f) 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

g) Imprests and Advances

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

h) 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, IFPPP 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.

i) Contingent Assets

IFPPP 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 IFPPP 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)

j) Budget

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

k) 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.

Infrastructure Finance Public Private Partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

12. Notes to the Financial Statements

Loan from External Development Partners

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

Description	2023/2024					2022/2023	Cumulative to date	
	Name of Donor	Date received	Amount in loan currency	Loans received in actual amount	Loans received as direct payment*	Total amount in Kshs		Total amount in Kshs
			(USD)	Kshs	Kshs	Kshs		Kshs
Loans received from Multilateral Donors (International Organizations)								
International Development Association (IDA)	14.04.2024	72,498	9,757,144	0	9,757,144	0	3,605,237,314	
Total		72,498	9,757,144	0	9,757,144	0	3,605,237,314	

2. Miscellaneous Receipts

Description	2023/2024			2022/2023	Cumulative to- date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	Total receipts	
	Kshs	Kshs	Kshs	Kshs	
Other receipts not classified elsewhere					17,998,548
Total					17,998,548

Notes to the Financial Statements (Continued)

3.Compensation to Employees

Description	2023/2024			2022/2023	Cumulative to date KShs.
	Payments made by the project in cash KShs.	Payments made by third parties KShs.	Total Payments KShs.	Total Payments	
Basic Salaries of contracted staff	65,604,154	-	65,604,154	8,075,632	546,436,004
Basic wages for temporary employees	139,587	-	139,587	114,821	
Pension	333,295	-	333,295	211,092	
Compulsory National Social Security Schemes	178,200	-	178,200	51,840	
Compulsory National Health Insurance	275,900	-	275,900	76,800	
P.A.Y.E	27,765,120	-	27,765,120	2,892,308	
Affordable Housing Levy	2,616,864	-	2,616,864		
Total	96,913,120	-	96,913,120	11,422,493	546,436,004

Infrastructure Finance Public Private Partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Notes to the Financial Statements (Continued)

4. Purchase of Goods and Services

Description	2023/2024			2022/2023	Cummulative to date KShs
	Payments made by the project in cash KShs.	Payments made by third parties KShs.	Total Payments KShs.	Total Payments KShs.	
Utilities, supplies and services	598,708	-	598,708	400,000	681,716,47
Communication, supplies and services	2,679,111	-	2,679,111	2,426,688	
Domestic travel and subsistence	-	-	-	8,853,516	
Foreign travel and subsistence	1,400,138	-	1,400,138	4,461,549	
Training payments	55,475,928	-	55,475,928	-	
Subscriptions	71,545	-	71,545	-	
Other Operating payments/Bank Charges	147,410	-	147,410	5,764,685	
Printing & Stationery	23,250	-	23,250	13,850	
Fuel and Oils	60,000	-	60,000	137,516	
Routine Maintenance - Motor Vehicles	1,645,978	-	1,645,978	147,318	
Total	62,102,068	-	62,102,068	22,205,122	681,716,47

Notes to the Financial Statements (Continued)

5. Social Security Benefit

Description	2023/2024			2022/23	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	
Compulsory National Social Security Schemes (Employer's Contribution)	178,200	-	178,200	56,160	289,440
Total	178,200	-	178,200	56,160	289,440

6. Other operating expenditure

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	
Other operating Expenditure	-	-	-	-	2,280,757,955
Total	-	-	-	-	2,280,757,955

*Infrastructure Finance Public Private Partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Notes to the Financial Statements (Continued)

7.Acquisition of Non-Financial Assets

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of office furniture & general equipment	19,998,130		19,998,130		19,998,130
Research, project preparation, design and supervision studies	51,173,762		51,173,762		51,173,762
Total	71,171,892	-	71,171,892	-	71,171,892

8.Cash and Cash equivalents

Description	2023/2024 KSh.	2022/2023 KSh.
KCB Bank Account No. 1138915874	42,864,098	263,472,234
Total	42,864,098	263,472,234

Infrastructure Finance Public Private Partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Notes to the Financial Statements (Continued)

8. A Bank Accounts

Project Bank Accounts

Details	2023/2024	2022/2023
	Kshs	Kshs
<u>Foreign Currency Accounts</u>		
Kenya Commercial Bank [A/c No1136321365]	-	-
Total Foreign Currency balances	-	-
<u>Local Currency Accounts</u>		
Kenya Commercial Bank [A/c No1138915874]	42,864,098	263,472,234
Total local currency balances	42,864,098	263,472,234
Total bank account balances	42,864,098	263,472,234

9. Fund Balance Brought Forward

Description	2023/2024	2022/2023
	Kshs	KSh.
Balance b/fwd	263,472,234.00	276,473,344
Surplus/(Deficit)	(220,608,136.35)	(33,683,775)
Refund from IFPPP - AF		20,682,665
Total	42,864,097.65	263,472,234

Infrastructure Finance Public Private Partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status:	Timeframe:
			(Resolved / Not Resolved)	(Put a date when you expect the issue to be resolved)
There were no audit issues from 2022/2023 FY audit.				

.....
Dr. Chris Kiptoo, CBS
Principal Secretary/NT

.....
Christopher Kirigua, MBS
Project Coordinator
Director General/PPPD

CPA SAMUEL O. ONYIAH
 Head of Finance and Admin.

Annex 2: Variance explanations - Comparative Budget and Actual Amounts for 2023/2024

Description	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments Variations (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Proceeds from borrowings	443,360,000	9,757,144	433,602,856	2%	see note below
Total Receipts	443,360,000	9,757,144	433,602,856		
Payments					
Compensation of employees	100,291,525	97,091,320	3,200,205	97%	
Purchase of goods and services	66,365,000	62,102,068	4,262,932	94%	
Acquisition of Non-Financial Assets	91,099,457	71,171,892	19,927,565	78%	Delay in getting TAs(Transact Advisors)
Transfer to PFF	185,604,018	-	185,604,018		
Total payments	443,360,000	230,365,280	212,994,720		

Note: At the time of revising the budget to Kshs 443,360,000, we expected the IFPPP Project Loan balance of USD 1.1 M (equivalent Ksh.145 million) was expected to be transferred to the IFPPP Project Local Account at KCB. However, due to the Restructuring Paper change, that changed disbursement terms of the Project from Disbursement Link Indicators (DLIs) to Performance Based Conditions (PBCs), this balance of 1.1 USD was eventually channelled to PPP-PFF account

Infrastructure Finance Public Private Partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 3: Reconciliation of inter-entity transfers

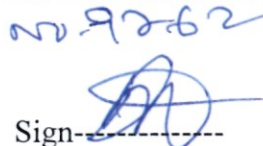
Project Name:		Infrastructure Finance Public Private Partnerships		
Breakdown of transfers from The National Treasury				
a.	Government Counterpart funding	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			00	
		Total	00	
B	Direct payments	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			00	
		Total	00	
C	Others	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		14.04.2024	9,757,144	2023/2024
		Total	9,757,144	
		Total (A+B+C)	9,757,144	

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

Christopher Kirigua, MBS
 Director General/PPPD
 Project Coordinator

CPA George Gichuru
 Director Accounting Services
 The National Treasury

Sign 


 Sign

CPA SAMUEL D. OMTARIGU
 Head of Finance and Admin.



Annex 5: Summary of Fixed Assets Register

Asset class	Opening Cost		*Purchases/ Additions in the Year	**Disposals in the Year (KShs) 2023/24	Transfers in/(out)	Closing Cost (KShs) 2024
		Donations in form of assets				
	(KShs)	(KShs)	(KShs)		(KShs)	
	2022/23	2023/24	2023/24		2023/24	
	(a)	(b)	(c)		(d)	
Office equipment, furniture and fittings	1,680,517.00		6,924,600.00			8,605,117.00
ICT Equipment,			13,073,530.00			13,073,530.00
Total	1,680,517.00	-	19,998,130.00	-	-	21,678,647.00

Annex 6: Contingent Liabilities Register

	Nature of contingent liability	Remarks
	IFPPP had no contingent liability in the FY 2023/2024	

Annex 7: Reporting of Climate Relevant Expenditures

IFPPP	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
			IFPPP had no activity on climate relevant expenditure						

Annex 8: Reporting Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Program me	Sub-program me	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
			No related expenditure			

Infrastructure Finance Public Private Partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 9: Other Support Documents

i. Bank Reconciliations statement as at 30th June 2024

REPUBLIC OF KENYA
 BANK RECONCILIATION

AS AT 30.06.2024

KCB ACCOUNT NO. 1138915874

Station: IFPPP Reinsurance Plaza

Balance as per Bank Statement				Ksh
				56,285,219.67
Less-				
	1	Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	13,601,094.00	
	2	Receipts in Bank Statement not yet recorded in Cash Book	-	13,601,094.00
Add	3	Payments in Bank Statement not yet recorded in Cash Book	160,652.00	42,684,125.67
		Bank Charges		
	4	Receipts in Cash Book not yet recorded in Bank Statement	19,320.00	
				179,972.00
Bank Balance as per Cash Book				42,864,097.67

1 PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)				
CHEQUE		PAYEE	AMOUNT	DATE CLEARED
No.	Date		Shs.	
EFT	6/28/2024	Government Advertising Agency	737,890.00	04.07.2024
EFT	6/28/2024	Penelope Technology	2,463,850.00	04.07.2024
EFT	6/28/2024	Neala Wanjala	304,500.00	10.07.2024
EFT	6/28/2024	Dorcas Koome	11,200.00	17.07.2024
EFT	6/28/2024	Kenya School of Government	3,802,763.00	11.07.2024
EFT	6/28/2024	Smartline Logistics and Supply	2,698,400.00	11.07.2024
EFT	6/28/2024	Edwima Enterprises	2,998,500.00	17.07.2024
EFT	6/28/2024	Returned payment	67,200.00	04.07.2024
EFT	6/28/2024	Returned payment	67,200.00	04.07.2024
EFT	6/28/2024	Returned payment	67,200.00	04.07.2024
EFT	6/28/2024	Lysak Haven Park	171,500.00	04.07.2024
EFT	6/28/2024	AHL Employee - Winnierose	2,625.00	10.07.2024
EFT	6/28/2024	AHL Employers contr. - Winnierose	2,625.00	10.07.2024
EFT	6/28/2024	PAYE Ombaka	143,248.00	10.07.2024
EFT	6/28/2024	AHL Employee contribution - Ombaka	7,540.00	10.07.2024
EFT	6/28/2024	AHL Employers contribution - Ombaka	7,540.00	10.07.2024
EFT	6/28/2024	Director of Pensions	23,603.00	25.07.2024
EFT	6/28/2024	MOW Welfare Association	19,850.00	
EFT	6/28/2024	NSSF -Employee's contr. (Winnierose)	1,080.00	
EFT	6/28/2024	NHIF-Winnierose	1,700.00	
EFT	6/28/2024	NSSF -Employer's contr. (Winnierose)	1,080.00	
			13,601,094.00	

2 RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK			
CHEQUE		PAYEE	AMOUNT
No.	Date		Shs.
		TOTAL	-

3 PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK			
CHEQUE		PAYEE	AMOUNT
No.	Date		Shs.
EFT	22/06/2024	M.O.W Welfare	160,652.00
		TOTAL	160,652.00

Infrastructure Finance Public Private partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

4 RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT			
CHEQUE		PAYEE	AMOUNT
No.	Date		Shs.
	28/06/2024	Christine Ng'ang'a	17,720.00
	28/06/2024	Dennis Rotich	900.00
	28/06/2024	Emma Gikebe	700.00
		TOTAL	19,320.00

PREPARED BY :



CERTIFIED BY :



**Infrastructure Finance Public Private partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024**

Certificate of Balance

20653071576092104

Results 1 - 1 of 1

<https://t24r14.kcbad.com/Browse/Walton/for/Treasurer/Levin/Sandhu>



Kencom House,
Moi Avenue,
P. O. Box 48400 - 00100
Nairobi, Kenya
Tel: +254 20 3270000,
2852000, 2851000
Mobile: +254 711012000/
734 108200

1218 CA 41 BRANCHES
CERTIFICATE OF BALANCE

KCB Bank Limited
(Incorporated in Kenya)

CERT2419900292

KCB UNIVERSITY WAY 17 JUL 2024

Certified that the balance at the CREDIT OF INFRASTRUCTURE FINANCE AND P P

A/C 1138915874

at the close of business on 30 JUN 2024 Was KES

FIFTY SIX MILLION TWO HUNDRED AND EIGHTY FIVE THOUSAND TWO HUNDRED AND NINETEEN CENTS SIXTY SEVEN

KES 56,285,219.67

Examined by

FOR: KCB BANK KENYA LTD.
University & Compliance
UNIVERSITY WAY, NAIROBI
Manager Service Quality & Compliance

For: KCB BANK KENYA LTD.

Branch Manager
UNIVERSITY WAY, NAIROBI

KCB Bank Kenya Limited
Directors: P. R. Russo; C.S. - National Treasury; S. K. Rono; Ms. N. Onyango;
Mrs. C. Okongo; J. W. Muigai; Ms. E. Nyala; Ms. D. K. Ntwiga; Mrs. A. C. Kintai

www.kcbgroup.com

of 1

17/07/2024, 17:08

Infrastructure Finance Public Private partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Cashbook Extract

36										
PAYMENTS										
I.O. 26 (Small)										
To Whom Paid	Description of Payment	Allocation	Voucher No.	Change No.	Sh.	cts.	Sh.	cts.	Sh.	cts.
Education - BUCHECHIS	Travel Exp		281					2,945,200,000		
Commission of YM	Billboard YM		231					3,127,200,000	2,398,200,000	
Deans' Trip			285						4,920,000,000	
Marketing Agency			283						11,200,000,000	
BEPPB - Bwana	AHL Expenses		284						2,040,000,000	
Highly Nasser	Investment		282				6,652,000,000			
Wenesh Kase	Asst. Exp		286						2,621,000,000	
Numerous Kase	NSF emp		287						1,080,000,000	
Total Expenses									54,127,114,500	
Balance b/d									4,286,409,700	
									<u>98,413,524,200</u>	

Prepared by: Abena Simba
 Approved by: Mungu abito

BOARD OF SURVEY

Chairman: Charles Kamukama [Signature] 05/07/2024

Member: Beniface Kamay [Signature] 05/07/2024

Member: Frank Kamukama [Signature] 05/07/2024

*Infrastructure Finance Public Private partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Board of Survey June 2024 Report

REPUBLIC OF KENYA

F.o. 51

Date:

Report of the Board of Survey on the Cash and Bank Balances ofIF PPP.....
..... as at the close of business on30/06/2024.....

The Board consisting of - (Names and official titles)

CHAIRMAN:.....Mr. CHARLES KUNYORIA.....

MEMBER:Mr. BONIFACE KAMAU.....

MEMBER :M/S BEATRICE WAMUYU.....

Assembled at the office ofCHIEF FINANCE OFFICER.....

At (Time) on the 2:00 P.M. (time) on the5TH July 2024.....

And the following cash was produced: -

Notes Sh Nil.....

Silver Sh Nil.....

Copper Sh Nil.....

Cheques (as per details on reverse) Sh Nil.....

It was observed that cheques amounting to Sh Nil Cts Nil.....

Had been on hand for more than 14 days prior to the date of the survey.

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

The Cash Book reflected the following balances as at the close of business on the30th JUNE 2024.....

Cash Book Balance of Sh ...42,864,097.67.....

Bank Balance Sh42,864,097.67.....

Sh.....42,864,097.67.....

The bank certificate of Balance showed a sum of Kshs. 56,285,219.67..... (Sh Nil Cts)

Standing to the credit of the account on30TH JUNE 2024

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

Date5th July 2024.....

Mr. Charles Kunyoria

Mr. Boniface Kamau

M/S Beatrice Wamuyu

Chairman

Members of the Board
GPK (L)

**Infrastructure Finance Public Private partnerships Project (IFPPP)
Annual Report and Financial Statements for the financial year ended June 30, 2024**



Corporate Banking Division
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September 3, 2024

The National Treasury,
Public Private Partnerships Directorate,
P.O. Box 30007 – 00100,
NAIROBI, KENYA.

Attention: Violet T. Wanyama

Dear Madam,

RE: CONFIRMATION OF BALANCE.

We refer to our above mutual client and confirm their balances as of **30th June 2024.**

Account Details			
1. Full titles of all accounts including the trade names.			As shown below;
Account	Currency	Name	Balance as of 30th JUNE, 2024
1136321365	USD	INFRASTRUCTURE FINANCE& PPP PROJECT	0.00

Yours sincerely,

EVELYN MORAJRA
Senior, Relationship Manager, Financial Services

JESSICA KIMANI
Ag. Head, Financial Services

