

REPUBLIC OF KENYA

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COAST REGION HUB
P.O. Box 95202 - 80100
MOMBASA

OFFICE OF THE AUDITOR-GENERAL

ADL/12P/19/20/ (1)

05 January 2021

The Chief Principal
Kenya Coast National Polytechnic
P.O. Box 81220-80100
Kisauni Street-Tononoka
MOMBASA



Attn: Mrs. Anne M. Mbogo

Dear Sir/Madam

**REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF
EAST AFRICA TRANSFORMATION AND REGIONAL INTEGRATION PROJECT
(EASTRIP) IDA CREDIT No 6334-KE FOR THE YEAR ENDED 30 JUNE 2020 -
KENYA COAST NATIONAL POLYTECHNIC**

Enclosed herewith please find one (1) set of audited financial statements of East Africa Transformation and Regional Integration Project (EASTRIP) IDA Credit No 6334-KE for the year ended 30 June 2020 – Kenya Coast National Polytechnic duly certified and with the seal of the Auditor-General affixed thereon for your retention and necessary action.

Yours faithfully,

Justus O. Okumu
FOR: AUDITOR-GENERAL

Public Disclosure Authorized

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REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**EAST AFRICA SKILLS TRANSFORMATION
AND REGIONAL INTEGRATION PROJECT
(CREDIT NO. IDA 6334-KE)**

**FOR THE
NINE (9) MONTHS PERIOD ENDED
30 JUNE, 2020**

**KENYA COAST NATIONAL
POLYTECHNIC**



Project Name: EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL

INTEGRATION PROJECT (EASTRIP)

KENYA COAST NATIONAL POLYTECHNIC

PROJECT CREDIT NUMBER: 6334-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED
JUNE 30, 2020 (9 MONTHS)**

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



**EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020 (9
MONTHS)**

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020 (9 MONTHS)**

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: East Africa Skills for Transformation and Regional Integration Project

Objective: The key objective of the project is to increase the access and improve the quality of TVET programs in selected Regional Flagship TVET Institutes and to support regional integration in East Africa.

Address: The project headquarters office is Ministry of Education, Kenya

The address of its registered office is:
Kenya Coast National Polytechnic
P.O Box 81220 Code 80100
Mombasa, Kenya

Contacts: The following are the project contacts

Telephone: (254) 0710389727, 0712725554

E-mail: info@kenyacoastpoly.ac.ke

Website: www.kenyacoastpoly.ac.ke

1.2 Project Information

Project Start Date:	The project start date is 16/9/2019
Project End Date:	The project end date is 31/12/2024
Project Manager:	The project manager is Anne M Mbogo (Mrs)
Project Sponsor:	The project sponsor is World Bank

1.3 Project Overview

Ministry of Education/State Department of Vocational and Technical Training	The project is under the supervision of the Ministry of Education, State department of Vocational & Technical Education .
Project number	6334-KE
Strategic goals of the project	The strategic goals of the project are as follows: i. Produce highly skilled, competent and self-driven operators and middle level human resource for industrial growth. ii. Generate applied knowledge, innovations and technological

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	<p>solutions for solving practical problems in the workplace.</p> <ul style="list-style-type: none"> iii. Provide extension services to the community and society in general. iv. Strengthen good governance and effective management of the Polytechnic. v. Enhance existing linkages and collaborations and develop new ones vi. Enhance regional integration
<p>Achievement of strategic goals</p>	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> (i) Establishment of project implementation unit (ii) Establishment of Industry Advisory Board (iii) Number of Student enrolment at the polytechnic in programmes aimed at meeting needs of the priority sector (iv) Number of demand driven programmes developed and accredited by the national TVET accreditation agencies or certified by industry (v) Training staff in the Polytechnic who have industrial attachment (vi) Teaching staff who undertake exchange in TVET institutes in another country (vii) Number of memoranda of understanding signed with institutions and industry (viii) Tracer studies conducted annually
<p>Other important background information of the project</p>	<p>The project is targeting marine transport and port logistics where the main aim would be to use the industry advisory board to ensure the programmes implemented meet the industry demands.</p>

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Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <ul style="list-style-type: none"> i. Lack of modern equipment for the Centre ii. Lack of capacity for some trainers in specialized maritime programmes iii. Inadequate staff iv. Inadequate workshops and labs v. Low enrolment in marine engineering and logistics vi. Few linkages with industry vii. Lack of student accommodation
Project duration	The project started on 18/12/2018 and is expected to run until 31 December 2024

1.4 Bankers

Equity Bank
Moi Avenue
MOMBASA

1.5 Auditors

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

The project is audited by the **Auditor General**

1.6 Core Project Team, Roles and Responsibilities

Names	Designation	Key Qualification	Responsibilities
Anne M Mbogo (Mrs)	Chief Principal	BED MBA	Accounting Officer
Kevin Ochieng	HOD Mechanical.	B.Educ(Technology)	Centre Leader
CPA Clerkson O. Bolo	Financial Controller	CPA(K) MBA	Project Accountant

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Names	Designation	Key Qualification	Responsibilities
Magdaline Kituku	Ag Deputy Dean of Students	BED, Masters in Project Planning & Management	Industrial Liaison
Poul Omollo	HOD Medical	B.Sc.(Environmental Health Science)	Environmental matters
Elphas Muge	Ag Dean of Students	Degree in supplies chain Management	Monitoring & Evaluation
Dorothy Nyagitari	Senior Procurement Officer	Bsc in Supply Chain Management, MSC in Procurement	Procurement
Jane W.Kariuki	Dean of Students	BED, Master in Education	Gender and Social Safeguards
OTHERS			
Show Kalama	Deputy Principal-Adm.	B.Educ(Arts)	Bank Signatory
Peter Musili	Accountant	CPA B.com(Finance)	Bank Signatory

1.7 Funding summary

The Project is for duration of 5 years from 16/9/2019 to 31/12/2024 with an approved budget of EUR 9,280,000 equivalent to KShs 1,080,000,000 as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (20/2/2020)		Undrawn balance to date (30/6/2020)	
	<i>Donor currency</i> (A)	<i>KShs</i> (A')	<i>Donor currency</i> (B)	<i>KShs</i> (B')	<i>Donor currency</i> (A)-(B)	<i>KShs</i> (A')-(B')
(i) Grant						
World Bank	9,280,000	1,080,000,000	1,718,523.10	200,000,000	7,561,476.9	880,000,000
-----	-----	-----	-----	-----	-----	-----
(ii) Loan						
	-----	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----	-----
(iii) Counterpart funds						
	-----	-----	-----	-----	-----	-----
Total	9,280,000	1,080,000,000	1,718,523.10	200,000,000	7,561,476.9	880,000,000

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1.8 Summary of Overall Project Performance:

Kenya Coast National Polytechnic received from the World Bank, through The Ministry of Education, Ksh 200,000,000 (USD 2,000,000) being Advance payment for the project. The actual amount so far spent totalling to Ksh 682,997 (USD 6,829.97) on recurrent expenditure and Ksh 1,111,520 (USD 11,115.2) on capital expenditure specifically spent on acquisition of office furniture and office fittings. Total amount unspent carried forward to the next semester is Ksh 198,205,483 (USD 1,982,054.83). The absorption rate is 0.897 which is far much below the expectation. This was due to late receipt of the disbursement of funds from the Ministry of Education and thereafter the outbreak of Covid-19 pandemic that brought to the stand still all the activities. Well-furnished World Bank office for the project was established. Members of the implementing team and that of the advisory board were formed and were actively engaged in their respective functions.

1.9 Summary of Project Compliance

- i) The Polytechnic attained its readiness(DLI1) having Established Project Implementation Units under DLR 1.1 and Industrial Advisory Board under DLR 1.2
- ii) The Polytechnic opened Project Account which was submitted to the World Bank through the Ministry of Education.
- iii) Developed strategic Investment Plan and project implementation guidelines
- iv) At the start there was a challenge of how the procurement of items for the establishment of the project office and also employment of staff to man the project office.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

The project predetermined key objective is to increase the access and improve the quality of TVET programs in the Polytechnic and to support regional integration in East Africa. The Polytechnic Industrial Advisory board was established to assist improvement of the quality of the programmes offered and also to enhance recruitment of both local and regional students. Members of the project implementation unit were appointed by the Project Manager. Objectives of the project as per the program plan are as follows:

- a) Establishment of project implementation unit which was established
- b) Establishment of Industry Advisory Board which was established
- c) Number of Student enrolment at the polytechnic in programmes aimed at meeting needs of the priority sector which could not have been achieved due to covid-19 pandemic outbreak by 30 June 2020.

**EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION
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- d) Number of demand driven programmes developed and accredited by the national TVET accreditation agencies or certified by industry which could not be achieved due to covid-19 pandemic outbreak by 30 June 2020.
- e) Training staff in the Polytechnic who have industrial attachment. This was not achieved.
- f) Teaching staff who undertake exchange in TVET institutes in another country. This was not achieved.
- g) Number of memoranda of understanding signed with institutions and industry. This was achieved
- h) Tracer studies conducted annually. This was not achieved.

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The project has component on outreach for non-project TVET. Originally we had planned to support lamu TVC so that they can start maritime programmes. Since Lamu TVC is not yet operational, we have decided to support nearby institutions through capacity building of faculty and sharing of resources. This is being done through MOU. The institutions we have selected to support include: Ahmed shahame Mwidani TVC, Likoni TVC and Ukunda youth polytechnic. Plans are underway to develop the partnership agreements and work plan.

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE
2020 (9 MONTHS)**

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

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

The Project Manager for Kenya Coast National Polytechnic and the Project Centre Leader for EASTRIP project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Project Manager for Kenya Coast National Polytechnic and the Project Centre Leader for EASTRIP project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2020, and of the Project's financial position as at that date. The Project Manager for Kenya Coast National Polytechnic and the Project Centre Leader for EASTRIP project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Project Manager for Kenya Coast National Polytechnic and the Project Centre Leader for EASTRIP project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the Project Manager for Kenya Coast National Polytechnic and the Project Centre Leader for EASTRIP project on 14/10/2020 and signed by them.



Project Manager
Name: Anne M Mbogo (Mrs)



Project Centre Leader
Name: Kevin Ochieng



Project Accountant
Name: Clerkson Bolo
ICPAK 5067

REPUBLIC OF KENYA

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Enhancing Accountability

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REPORT OF THE AUDITOR-GENERAL ON EAST AFRICA SKILLS TRANSFORMATION AND REGIONAL INTEGRATION PROJECT (CREDIT NUMBER: IDA 6334-KE) FOR THE NINE (9) MONTHS PERIOD ENDED 30 JUNE, 2020 – KENYA COAST NATIONAL POLYTECHNIC

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of East Africa Skills Transformation and Regional Integration Project set out on pages 10 to 24, which comprise the statement of financial assets as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the nine (9) months period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the East Africa Skills Transformation and Regional Integration Project as at 30 June, 2020, and of its financial performance and its cash flows for the nine (9) months period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement No.6334-KE dated 18 December, 2018 between International Development Association (IDA) and the Republic of Kenya and the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no Key Audit Matters to communicate in my report.

Other Matter

1. Budgetary Controls and Performance

The statement of comparative budget and actual amounts reflects total actual receipts of Kshs.200,000,000 against actual expenditure of Kshs.1,794,517 resulting to an overall under absorption of Kshs.198,205,483 or 99%. The under absorption is attributed to late disbursement of funds and the outbreak of Covid-19 pandemic. This implies that the funds were lying idle impacting negatively on service delivery to the public.

2. Project Implementation

According to the statement of performance against the project's predetermined objectives, the project aims to achieve eight (8) thematic objectives. However, audit review of the approved work plan for the year under audit revealed that the following planned activities had not been implemented as at 30 June, 2020:

No.	Component	Activity
1	Strengthening Governance and Management	Conduct training for council and administration & key staff on project operation
		Sensitization on project expectations
		Review and revise the strategic plan and master plan
		Conduct international benchmarking for top management and key staff
		Formulate project management measures/regulations (Guidelines)
		Conduct monitoring and inspection of the project
		Provide students scholarship
2	Institutionalizing Industry Linkages	Organize stakeholder forums
		Industry Advisory Committee in operation
		Establish collaboration with local industries
		Establish students' attachment with industries
		Arrange graduate internship
		Establish Alumni Association
		Conduct tracer study
		Engage part time trainers from industries
		Establish linkage with overseas industries and intuitions
3	Developing Market Relevant and Competency-Based Training Programs	Carry out training needs assessment
		Train staff on CBET curriculum development
		Develop CBET curriculum
		Train assessors
		Develop digital programmes/online courses
4		Conduct training needs assessment

No.	Component	Activity
	Training of School Managers and Teachers	Long term professional training abroad and locally for new programs
		Train managers to build capacity (domestic and abroad)
		Train staff to improve the capacity of profession, pedagogy, IT and entrepreneurship (abroad)
		Train staff to improve the capacity of profession, pedagogy, IT and entrepreneurship (domestic)
		Improve research and innovation capacity
5	Upgrading Key Training Facilities and Equipment	Conduct extension, repair and rehabilitation of existing facilities with support of expert services
		Construct hostel facilities with consultancy of expert services
		Construct training restaurant and staff quarters with consultancy from expert services
		Construct academic, administration, workshops and labs complex with consultancy of expert services
		Upgrade sewerage, water, electrical and ICT infrastructure and establish E-learning platform and expert services
		Procure training equipment with consultancy of expert services
		Procure project vehicles
6	Outreaching and Support for Non-Project National TVET	Conduct marketing and rebranding to attract local & regional students

Although the Management has attributed the state of affairs to late disbursement of funds and the outbreak of Covid-19 Pandemic, the project is clearly behind schedule. Delayed implementation of planned activities could adversely affect achievement of intended project activities within the set time limit.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

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 Use of 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. Staff Secondment

The Kenya Coast National Polytechnic Management redeployed key personnel to various key roles in the management of the project as detailed below:

No.	Name	Current Position in the Polytechnic	Project Position
1	Rosalia Dzombo	Procurement Officer	Procurement Specialist
2	Paul Omolo	Department, Medical Service	Environment and Social Safeguards Officer
3	Magdelene Kituku	Department, Secretarial and Liberal Studies	Project Industrial Liaison Officer
4	Kevin Ochieng	Centre Leader – Maritime transport and Port Logistics	Centre leader
5	Elphas Muge	Business and Media Studies	Monitoring and Evaluation Officer
6	Clerkson Bolo	Financial Controller	Finance Officer

However, the appointment letters did not clearly indicate how the man hours would be shared between the Institution and the Project. According to the Polytechnic's staff establishment structure, the Institution is grossly understaffed thus casting doubt on the ability of the staff to deliver on additional roles. The staff capacity might therefore, affect the effectiveness of implementing the project to achieve the set objectives.

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

REPORT ON EFFECTIVENESS INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Resources section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Project to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Nancy Gathunge
AUDITOR-GENERAL

Nairobi

28 December, 2020

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020 (9 MONTHS)

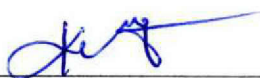
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30 JUNE 2020

	Note	2019/2020		2018/2019		Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
RECEIPTS						
World Bank	10.3	200,000,000	-----	-----	-----	200,000,000
TOTAL RECEIPTS		200,000,000	-----	-----	-----	200,000,000
PAYMENTS						
Compensation of employees	10.4	112,937	-----	-----	-----	112,937
Purchase of goods and services	10.5	570,060	-----	-----	-----	570,060
Acquisition of non-financial assets	10.6	1,111,520				1,111,520
TOTAL PAYMENTS		1,794,517	-----	-----	-----	1,794,517
SURPLUS/(DEFICIT)		198,205,483	-----	-----	-----	198,205,483

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



Project Manager
Name: Anne M Mbogo (Mrs)



Project Centre Leader
Name: Kevin Ochieng



Project Accountant:
Name: Clarkson Bolo
ICPAK 5067

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020 (9 MONTHS)

7. STATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE 2020

	Note	2019-2020	2018-2019
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10.7	198,205,483	-----
Total Cash and Cash Equivalents		198,205,483	-----
Total Financial Assets		198,205,483	
REPRESENTED BY			
Surplus (Deficit) for the year	10.8	198,205,483	-----
NET FINANCIAL POSITION		198,205,483	-----

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **14/10/2020** and signed by:



Project Manager
Name: Anne M Mbogo (Mrs)



Project Centre Leader
Name: Kevin Ochieng



Project Accountant:
Name: Clerkson Bolo
ICPAK 5067

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020 (9 MONTHS)


8. STATEMENT OF CASHFLOW FOR THE PERIOD 30 JUNE 2020

		2019-2020	2018-2019
	Note	KShs	KShs
Receipts from operating activities			
World Bank grant	10.3	200,000,000	-----
Total receipts		200,000,000	
Payments from operating activities			
Compensation of employees	10.4	(112,937)	-----
Purchase of goods and services	10.5	(570,060)	-----
Total payments from operating activities		(682,997)	
Net cash flow from operating activities		199,317,003	-----
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10.6	(1,111,520)	-----
Net cash flows from Investing Activities		(1,111,520)	-----
NET INCREASE IN CASH AND CASH EQUIVALENT		(1,794,517)	-----
Cash and cash equivalent at 20 February 2020	10.3	200,000,000	-----
Cash and cash equivalent at 30 June 2020	10.7	198,205,483	-----

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 14/10/2020 and signed by:


 Project Manager
 Name: Anne M Mbogo (Mrs)


 Project Centre Leader
 Name: Kevin Ochieng


 Project Accountant:
 Name: Clerkson Bolo
 ICPAK 5067

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT


ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020 (9 MONTHS)

9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

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 %
Receipts						
World Bank grant	200,000,000	----- --	200,000,000	200,000,000	-----	----
Proceeds from domestic and foreign grants	-----	----- --	-----	-----	-----	----- --
Total Receipts	200,000,000		200,000,000	200,000,000		
Payments						
Compensation of employees	700,000		700,000	112,937	587,063	16.13
Purchase of goods and services	7,000,000		7,000,000	570,060	6,429,940	8.14
Strategic and Master plan	5,000,000		5,000,000	-----	5,000,000	----
Training program	10,000,000		10,000,000	-----	10,000,000	----
Acquisition of non-financial assets	117,500,000		117,500,000	1,111,520	116,388,480	0.95
Industrial Linkages	6,000,000		6,000,000	-----	6,000,000	----
Project vehicle	10,000,000		10,000,000	-----	10,000,000	----
Repair and Rehabilitation	10,000,000		10,000,000	-----	10,000,000	----
Capacity Building for staff	17,000,000		17,000,000	-----	17,000,000	----
Marketing	2,400,000		2,400,000	-----	2,400,000	----
Benchmarking	9,000,000		9,000,000	-----	9,000,000	----
Monitoring and Evaluation	400,000		400,000	-----	400,000	----
Consultancy services	5,000,000		5,000,000	-----	5,000,000	----
Total Payments	200,000,000		200,000,000	1,794,517	198,205,483	0.897


 Project Manager
 Name: Anne M Mbogo (Mrs)


 Project Centre Leader
 Name: Kevin Ochieng


 Project Accountant:
 Name: Clerkson Bolo
 ICPAK 5067

10. NOTES TO THE FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.1.1 Statement of compliance and basis of preparation

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

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

10.1.2 Reporting entity

The financial statements are for the Project number 6334-Ke under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.1.3 Reporting currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling.

10.2 Significant Accounting Policies

a) Recognition of receipts

The Project recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Government.

• Transfers from the Exchequer

Transfer from Exchequer, if any, is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

• External Assistance

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

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020 (9 MONTHS)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

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

Other receipts

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Interest on borrowing

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

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

Repayment of borrowing (principal amount)

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

Acquisition of fixed assets

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

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

c) In-kind donations

In-kind contributions are donations that are made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Restriction on cash

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

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE
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SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Accounts receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

f) Contingent Liabilities

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

g) Contingent Assets

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

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h) Pending bills

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

i) Budget

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

j) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third party's column in the statement of receipts and payments.

k) Exchange rate differences

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

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2020 (9 MONTHS)**

SIGNIFICANT ACCOUNTING POLICIES (Continued)

the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

l) Comparative figures

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

m) Subsequent events

There have been no events subsequent to the financial period end with a significant impact on the financial statements for the period ended June 30, 2020.

n) Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.3 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

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

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs	
						2019/20	2018/19
		EUR	KShs	KShs	KShs	KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)							
World Bank	20/2/2020	1,718,523.1	200,000,000	-----	-----	200,000,000	-----
Grants Received from Multilateral Donors (International Organisations)	-----	-----	-----	-----	-----	-----	-----
Grants Received from Individuals and Local organisations	-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----	-----
Total		1,718,523.1	200,000,000	-----	-----	200,000,000	-----

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.4 COMPENSATION OF EMPLOYEES

	2019/20			2018/19	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
-					
Basic wages of temporary employees	108,617	-----	108,617	-----	108,617
Compulsory national social security schemes	4,320	-----	4,320	-----	4320
Total	112,937	-----	112,937	-----	112,937

10.5 PURCHASE OF GOODS AND SERVICES

	2019/20			2018/19	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Communication, supplies and services	63,360	-----	63,360	-----	63,360
Domestic travel and subsistence	-----	-----	-----	-----	-----
Financial Cost	600	-----	600	-----	600
Hospitality supplies and services	506,100	-----	506,100	-----	506,100
Total	570,060	-----	570,060	-----	570,060

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.6 ACQUISITION OF NON-FINANCIAL ASSETS

	2019/20			2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Purchase of office furniture & general equipment	1,111,520	-----	1,111,520	-----	1,111,520
Total	<u>1,111,520</u>	-----	<u>1,111,520</u>	-----	<u>1,111,520</u>

The expenditure is for furniture acquisition and fittings

10.7 CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts	198,205,483	-----
Total	<u>198,205,483</u>	-----

The project has one project accounts as listed below:

10.7.1 A Bank Accounts

Project Bank Accounts

	2019/20	2018/19
	KShs	KShs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya	1,703,103.5	-----
Total Foreign Currency balances	<u>1,703,103.5</u>	-----
<u>Local Currency Accounts</u>		
Central Bank of Kenya	-----	-----
Equity Bank A/C No.0250279469130	198,205,483	-----
Total local currency balances	<u>198,205,483</u>	-----
Total bank account balances	<u>198,205,483</u>	-----

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.8 FUND BALANCE CARRIED FORWARD

	2019/20	2018/19
	KShs	KShs
Accumulated Surplus/Deficit	198,205,483	-----
Total	198,205,483	-----

**EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL
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ENDED 30 JUNE 2020 (9 MONTHS)**

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

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



Project Manager
 14/10/2020

Date



Project Centre Leader
 14/10/2020

Date

EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT
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12. ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
World Bank grant	200,000,000	200,000,000	0	100	Received as budgeted
Total Receipts	200,000,000	200,000,000	0	100	
Payments					
Compensation of employees	700,000	112,937	587,063	16.13	/
Purchase of goods and services	7,000,000	570,060	6,429,940	8.14	
Strategic and Master plan	5,000,000	-----	5,000,000	0	
Training program	10,000,000	-----	10,000,000	0	
Acquisition of non-financial assets	117,500,000	1,111,520	116,388,480	0.946	
Industrial Linkages	6,000,000	-----	6,000,000	0	
Project vehicle	10,000,000	-----	10,000,000	0	
Repair and Rehabilitation	10,000,000	-----	10,000,000	0	
Capacity Building for staff	17,000,000	-----	17,000,000	0	
Marketing	2,400,000	-----	2,400,000	0	
Benchmarking	9,000,000	-----	9,000,000	0	
Monitoring and Evaluation	400,000	-----	400,000	0	
Consultancy services	5,000,000	-----	5,000,000	0	
Total payments	200,000,000	1,794,517	198,205,263	0.897	

Under spending was due to long procurement process that was mostly delayed as a result of the outbreak of Covid -19 that paralyzed most of the operations.

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ANNEX 2A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid T-to-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.	-----	-----	-----	-----	-----	
2.	-----	-----	-----	-----	-----	
3.	-----	-----	-----	-----	-----	
Sub-Total						
Construction of civil works						
4.	-----	-----	-----	-----	-----	
5.	-----	-----	-----	-----	-----	
6.	-----	-----	-----	-----	-----	
Sub-Total						
Supply of goods						
7.	-----	-----	-----	-----	-----	
8.	-----	-----	-----	-----	-----	
9.	-----	-----	-----	-----	-----	
Sub-Total						
Supply of services						
10.	-----	-----	-----	-----	-----	
11.	-----	-----	-----	-----	-----	
12.	-----	-----	-----	-----	-----	
Sub-Total						
Grand Total	-----			-----	-----	

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ANNEX 2B - ANALYSIS OF PENDING STAFF BILLS

Name of Staff	Job Group	Original Amount	Date Payable Contract ed	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
Permanent Employees - Management							
1.	-----	-----	-----	-----	-----	-----	
2.	-----	-----	-----	-----	-----	-----	
3.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Permanent Employees - Others							
4.	-----	-----	-----	-----	-----	-----	
5.	-----	-----	-----	-----	-----	-----	
6.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Temporary employees							
7.	-----	-----	-----	-----	-----	-----	
8.	-----	-----	-----	-----	-----	-----	
9.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Others (specify)							
10.	-----	-----	-----	-----	-----	-----	
11.	-----	-----	-----	-----	-----	-----	
12.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Grand Total							

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ANNEX 2C - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 20xx	Outstanding Balance 20xx	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.	-----	-----	-----	-----	-----	-----	
2.	-----	-----	-----	-----	-----	-----	
3.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Amounts due to County Govt Entities							
4.	-----	-----	-----	-----	-----	-----	
5.	-----	-----	-----	-----	-----	-----	
6.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Amounts due to Third Parties							
7.	-----	-----	-----	-----	-----	-----	
8.	-----	-----	-----	-----	-----	-----	
9.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Others (specify)							
10.	-----	-----	-----	-----	-----	-----	
11.	-----	-----	-----	-----	-----	-----	
12.	-----	-----	-----	-----	-----	-----	
Sub-Total							
Grand Total							

**EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT
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ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) 2019/2020 (a)	*Purchases/Additions in the Year (KShs) 20xx/xx (b)	**Disposals in the Year (KShs) 20xx/xx (c)	Transfers in/(out) Kshs 20xx/xx (d)	Closing Cost (KShs) 20xx (e)=(a)+(b)-(c)+(-)d
Land					
Buildings and structures					
Transport equipment					
Office equipment, furniture and fittings	1,111,520	-----	-----	-----	1,111,520
ICT Equipment, Other Machinery and Equipment	-----	-----	-----	-----	-----
Heritage and cultural assets	-----	-----	-----	-----	-----
Biological assets	-----	-----	-----	-----	-----
Infrastructure assets roads, rails	-----	-----	-----	-----	-----
Intangible assets	-----	-----	-----	-----	-----
Work in Progress	-----	-----	-----	-----	-----
Total	1,111,520	-----	-----	-----	1,111,520

**EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020 (9 MONTHS)**

ANNEX 4 CONTINGENT LIABILITIES REGISTER

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1	-----	-----	-----	-----	-----	-----
2	-----	-----	-----	-----	-----	-----
3	-----	-----	-----	-----	-----	-----
4	-----	-----	-----	-----	-----	-----
5	-----	-----	-----	-----	-----	-----
6	-----	-----	-----	-----	-----	-----
7	-----	-----	-----	-----	-----	-----
8	-----	-----	-----	-----	-----	-----
9	-----	-----	-----	-----	-----	-----
10	-----	-----	-----	-----	-----	-----
11	-----	-----	-----	-----	-----	-----
12	-----	-----	-----	-----	-----	-----

**EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020 (9 MONTHS)**

13.APPENDICE I

BANK RECONCILIATION STATEMENT AS ON 30 JUNE 2020 – LOCAL ACCOUNT

Balance as per Cash Book	198,205,483
Balance as per Bank Statement	198,205,483