*Issued 30th June 2022*

**(LOGO)**

*(Insert the Entities Logo)*

**KENYA ROADS AUTHORITY**

**(KeNHA, KURA, KeRRA, KWS)**

**ANNUAL FINANCIAL STATEMENTS FOR ROAD MAINTENANCE LEVY FUND**

**FOR THE FINANCIAL YEAR ENDED**

**30TH JUNE 2022**

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

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# Key Entity Information and Management

1. **Background information**

The *entity* was incorporated/ established under the xxx Act on xxx (insert date). The entity is domiciled in Kenya and has branches in xxx, xxx (list them)

(*Include any other information relevant to the users of financial information on the background of the entity for example the implementation of roadworks using RMLF under the specific road authority.)*

1. **Principal Activities**

The principal activity/mission/ mandate of the *entity* is to ….

*(Under this section quote your functions as derived from the establishing Act you may also include the entity’s vision, mission and core objectives.) Mention implementation of roadworks using RMLF by the Road Authority. This may be derived from the relevant Act.*

1. **Key Management**

The *entity’s* day-to-day management is under the following key organs:

* Board of Directors
* Accounting officer
* Management
* …; and
* …

1. **Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 20XX and who had direct fiduciary responsibility were:

| **No.** | **Designation** | **Name** |
| --- | --- | --- |
| 1. | Director General | **-** |
| 2. | Head of Corporate Services |  |
| 3. | Head of Finance | **-** |
| 4. | Head of Procurement | **-** |
| 5. | Xxx | **-** |
| 6. | Xxx |  |

*(Include all positions regarded as top management in your organization as per your organizational structure).*

1. **Fiduciary Oversight Arrangements**

*Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):*

* *Audit and Risk Committee*
* *Finance committee*
* *Other oversight arrangements*

1. **Entity Headquarters**

P.O. Box XXXXX

XXX Building/House/Plaza

XXX Avenue/Road/Highway

Nairobi, KENYA

1. **Entity Contacts**

Telephone: (254) XXXXXXXX

E-mail: xxxx@xxx.com

Website: [xxx.go.ke](http://www.go.ke)

1. **Entity Bankers**

*Other Banks (state other bankers as appropriate)*

1. **Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084, GPO 00100,

Nairobi, Kenya

1. **Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

# The Board of Directors

|  |  |  |
| --- | --- | --- |
| **Ref** | **Directors** | **Details** |
|  | Insert each Director’s passport-size photo and name, and key profession/academic qualifications | Provide a concise description of each Director’s date of birth, key qualifications, and work experience. Indicate whether the director is independent or an executive director and which committee of the Board the director chairs where applicable. Indicate whether the director is independent and or whether alternate. |
|  | Director 2 |  |
|  | Director 3 |  |
|  | Director 4/Alternate |  |
|  | DG |  |
|  | Entity Secretary | Indicate whether the secretary is a member of ICS as required under the Mwongozo code in addition to their other details. |
|  | Etc. |  |

*(Include the Entity’s Board of Directors).*

# Management Team

|  |  |  |
| --- | --- | --- |
| **Ref** | **Management** | **Details** |
|  | Insert each key manager’s passport-size photo and name, and key profession/academic qualifications | Indicate the main area of responsibility – without details |
|  | Manager 2 |  |
|  | Manager 3 |  |
|  | Manager 4 |  |
|  | Etc. |  |
|  | ***Note:*** *Highlight the key management team managing and executing the RMLF Fund* | |

# Chairman’s Statement

Put a forward note by the Chairperson of the Board.

May include information such as:

* Changes in the RMLF during the year (in terms of the board or key management team)
* Review of the RMLF performance
* Future outlook of the RMLF
* Any other matters deemed necessary.
* A conclusion

|  |
| --- |
| **……………………………………….** |
| **Name of Chairperson** |

*(This report is a summarized overview of the RMLF and about a page or two)*

# Report of The Director General

*(Under this section, the Director General will give his report, which highlights the same issues as the Chairman in a more detailed format, usually 2 to 3 pages. The Director General may also mention at a high level the financial performance of RMLF).*

Include the following:

* + Mention the budget performance against actual amounts for current year and for cumulative to-date based on programmes/work plans/APRP, (make use of pictures, tables pie charts and graphs)
  + Physical progress based on outputs, outcomes and impacts since establishment of the RMLF (encouraged to use actual figures and percentages)
  + Comment on each of the programmes/work plans/APRP implemented by RMLF and how they have been achieved.
  + Comment on value-for-money achievements,
  + List the implementation challenges of strategic objectives for the Road Authority and the entity’s future outlook with respect to the RMLF (*here you could mention the budget allocation for the coming year and the projects that the entity wishes to undertake under RMLF. Further Authorities should be able to mention the number and KM of roads rehabilitated or done using the RMLF as per their budgets*.)
  + Highlight key risk management strategies

*(The Director General should sign the Director General’s report).*

|  |
| --- |
| **………………………………………** |
| **Name of *Director General*** |
| **Date:** |

# Statement of Performance Against Predetermined Objectives

**Introduction**

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

*(Under the section the management should include the performance against predetermined objectives of the RMLF and may further link to the performance of the entire Road Authority. The Roads authorities should outline activities and output under the strategic pillars relating to the RMLF.*

*The Road Authority may comment on how RMLF supports their Overall Strategy in terms of achieving/implementing their mandate.)*

# Corporate Governance Statement

**(Two-to-three pages)**

(*Under this section, include the number of Board meetings held (with particular regard to Road maintenance) and the attendance to those meetings by members, succession plan, existence of a board charter, process of appointment and removal of directors, roles and functions of the Board, induction and training, board and member performance, conflict of interest, board remuneration, ethics and conduct as well as governance audit*.)

# Management Discussion and Analysis

**(Two- three pages)**

*(Under this section, the management gives a report on the operational and financial performance of the organization with regard to RMLF for the last three to five year period, entity’s key projects or investments decision implemented or ongoing, entity’s compliance with statutory requirements, major risks facing the organization, material arrears in statutory and other financial obligations, review of the economy, review of the sector, future developments and any other information considered relevant to the users of the Financial Statements.) The management should make use of tables, graphs, pie charts and other descriptive tools to make the information as understandable as possible.)*

# Environmental And Sustainability Reporting

**(Include any CSR activities undertaken by the Entity using RMLF funds, if any.)**

**(Two-to-three pages)**

XXX exists to transform lives. This is our purpose; the driving force behind everything we do. It’s what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organization’s policies and activities that promote sustainability.

1. **Sustainability strategy and profile**

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

1. **Environmental performance**

Outline clearly, environmental policy guiding the organization, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organization’s products.

1. **Employee welfare**

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organization should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA.)

1. **Market place practices-**

The organization should outline its efforts to:

1. **Responsible competition practice.**

Explain how the organization ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

1. **Responsible Supply chain and supplier relations**

Explain how the organization maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

1. **Responsible marketing and advertisement**

Outline efforts to maintain ethical marketing practices.

1. **Product stewardship**

Outline efforts to safeguard consumer rights and interests.

1. **Corporate Social Responsibility / Community Engagements**

*The organization gives details of CSR activities carried out in the year and the impact to the society.* Give e*vidence of community engagement including charitable giving (cash and material), Corporate Social Investment and other forms of community engagements.*

# Report of The Directors

The Directors submit their report together with the audited Financial Statements for the year ended June 30, 20XX, which show the state of the *entity’s* affairs.

1. **Principal activities**

The principal activities of the entity are (continue to be) ….

1. **Results**

The results of the entity for the year ended June 30, 20XX, are set out on page ….

1. **Directors**

The members of the Board of Directors who served during the year are shown on page xxx. During the year xxx director retired/ resigned and xxx was appointed with effect from xxx date.

1. **Auditors**

The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *entity* for the year/period ended June 30, 20XX in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

|  |
| --- |
| **…………………………………………………** |
| **Name:** |
| **Company Secretary/Secretary To The Board** |
| **Date** |

# Statement Of Directors’ Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, - (entities should quote the applicable legislation under which they are regulated))* require the Directors to prepare Financial Statements in respect of that *entity*, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the *entity* for that year/period. The Directors are also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The Directors are also responsible for safeguarding the assets of the *entity*.

The Directors are responsible for the preparation and presentation of the *entity’s* Financial Statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 20XX. 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 entity; (iii)Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv)Safeguarding the assets of the *entity*; (v)Selecting and applying appropriate accounting policies; and (vi)Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the *entity’s* Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act) – *entities should quote applicable legislation as indicated under which they are regulated)*. The Directors are of the opinion that the *entity’s* Financial Statements give a true and fair view of the state of *entity’s* transactions during the financial year ended June 30, 20XX, and of the *entity’s* financial position as at that date.

The Directors further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity’s* Financial Statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the Financial Statements**

The *entity’s* Financial Statements were approved by the Board on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20XX and signed on its behalf by:

|  |  |
| --- | --- |
| **………………………………………** | **…………………………………** |
| **Name** | **Name** |
| **Director General** | **Chairperson** |
| **Date** | **Date** |

# Report Of The Independent Auditor

# Statement Of Financial Performance for The Year Ended 30th June 2022

|  |  |  |  |
| --- | --- | --- | --- |
| **description** |  | **2021/22** | **2020/21** |
|  | **Note** | **Kshs’000** | **Kshs’000** |
| **Revenue** |  |  |  |
| Road maintenance levy fund | 1 | xx | xx |
| Finance income (interest on RMLF funds) | 2 | xx | xx |
| **Total revenue** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Expenditure** |  |  |  |
| Certified works | 3 | xx | xx |
| Transfers to operations | 4 | xx | xx |
| Transfers to development projects | 5 | xx | xx |
| Other roadworks expenses | 6 | xx | xx |
| **Total expenditure** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Surplus/(deficit) for the year** |  | **xxx** | **xxx** |

The notes on pages xx to xx form an integral part of these Financial Statements.

The Financial Statements set out on pages xxx to xxx were signed on behalf of the Board of Directors by:

|  |  |  |
| --- | --- | --- |
| **……………………………………..** | **………………………………..** | **……………………………………** |
| **Name** | **Name** | **Name** |
| **Director General** | **Director, Finance** | **Chairperson** |
|  | **ICPAK Member No.** |  |
| **Date** | **Date** | **Date** |

# Statement Of Financial Position As At 30th June 2022

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2021/22** | **2020/21** |
|  | **Note** | **Kshs’000** | **Kshs’000** |
| **Assets** |  |  |  |
|  |  |  |  |
| **Current Assets** |  |  |  |
| Cash And Cash Equivalents | **7** | xx | xx |
| Receivables | **8** | xx | xx |
| **Total Assets** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Liabilities** |  |  |  |
|  |  |  |  |
| **Current Liabilities** |  |  |  |
| Certificates Payable | **9** | xx | xx |
| Other Payables | **10** | xx | xx |
| **Total** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Non-Current Liabilities** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Total Liabilities** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Total Net Assets** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Net Assets** |  |  |  |
|  |  |  |  |
| Accumulated Surplus | **11** | **xx** | **xx** |
|  |  |  |  |
| **Total Net Assets** |  | **xxx** | **xxx** |

The notes on pages xx to xx form an integral part of these Financial Statements.

The Financial Statements on pages xx to xx were approved by the Board of Directors and signed on its behalf by:

|  |  |  |
| --- | --- | --- |
| **……………………………………..** | **………………………………..** | **……………………………………** |
| **Name** | **Name** | **Name** |
| **Director General** | **Director, Finance** | **Chairperson** |
|  | **ICPAK Member No.** |  |
| **Date** | **Date** | **Date** |

# Statement Of Changes In Net Assets For The Year Ended 30th June 2022

|  |  |  |
| --- | --- | --- |
| **Description** | **Notes** | **Accumulated surplus** |
|  |  | **Kshs** |
| **Prior Year** |  |  |
| Balance As At 1 July 20xx |  | xx |
| Surplus/(Deficit) For The Period |  | xx |
| Balance As At 30 June 20xx |  | **xxx** |
|  |  |  |
| **Current Year** |  |  |
| Balance As At 1 July 20xx |  | xx |
| Surplus/(Deficit) For The Period |  | xx |
| Balance As At 30 June 20xx |  | **xxx** |

The notes on pages xx to xx form an integral part of these Financial Statements.

# Statement Of Cash Flows for The Year Ended 30th June 2022

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Note** | **2021/22** | **2020/21** |
|  |  | **Kshs ‘000** | **Kshs ‘000** |
| **Cash flows from operations** |  |  |  |
| Surplus for the year | 11 | xx | xx |
| Adjustments for: |  |  |  |
| Finance income | 2 | (xx) | (xx) |
| **Operating income before working capital changes** |  | **xxx** | **xxx** |
|  |  |  |  |
| Changes in working capital balances: |  |  |  |
| (Decrease)/increase in receivables | 8 | xx | xx |
| (Decrease)/increase in payables: |  |  |  |
| Certificates payable | 9 | xx | xx |
| Other payables | 10 | xx | xx |
| **Net cash flows (to)/from operating activities (a)** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Cash flows from investments** |  |  |  |
| Finance income | 2 | xx | xx |
|  |  |  |  |
| **Net cash flows (to)/from investing activities (b)** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Cash flows from financing** |  |  |  |
| **(**Include As Appropriate) |  |  |  |
| **Net cash flows (to)/from financing activities (c)** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Movement in cash and cash equivalents** |  |  |  |
| Cash and cash equivalents at the beginning of the year |  | xx | xx |
| Net increase/ decrease in cash and cash equivalents **(d)** = **(a) + (b) +(c)** |  | xx | xx |
|  |  |  |  |
| **Cash and cash equivalents at the end of the year** |  | **xxx** | **xxx** |

The notes on pages xx to xx form an integral part of these Financial Statements.

The Financial Statements on pages xx to xx were approved by the Board of Directors and signed on its behalf by:

|  |  |  |
| --- | --- | --- |
| **……………………………………..** | **………………………………..** | **……………………………………** |
| **Name** | **Name** | **Name** |
| **Director General** | **Director, Finance** | **Chairperson** |
|  | **ICPAK Member No.** |  |
| **Date** | **Date** | **Date** |

# Statement Of Comparison Of Budget And Actual Amounts

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **APRP Budget** | **Actual** | **Variance** | **Variance** |
|  | **2021/22** | **2021/22** |  |  |
|  | **Kshs’000** | **Kshs’000** | **Kshs’000** | **%** |
|  |  |  |  |  |
| **Revenue** |  |  |  |  |
| Road maintenance levy |  |  |  |  |
| Finance income |  |  |  |  |
| Other |  |  |  |  |
| **Total receipts** |  |  |  |  |
|  |  |  |  |  |
| **Expenditure** |  |  |  |  |
| ***(List by regions)*** |  |  |  |  |
|  |  |  |  |  |
| **Surplus/ deficit** |  |  |  |  |

**Note:** *This statement takes the form in which the original budget is prepared. Should there be differences in the basis of preparation and classification, a reconciliation between the surplus/ deficit as per this statement and surplus/ deficit as per the statement of financial performance should be prepared.*

**Budget Notes:**

1. *Type explanatory notes for variances*
2. *Reconcile surplus/ deficit in the actual column to surplus / deficit in the statement of financial performance here or as a note to the statement of budget vs actual amounts.*

# Summary Of Significant Accounting Policies

* + - 1. **Statement of compliance and basis of preparation**

The RMLF Financial Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The Financial Statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The Financial Statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The Financial Statements are prepared on accrual basis.

* + - 1. **Adoption of new and revised standards**

1. **New and amended standards and interpretations in issue effective in the year ended 30th June 2022**

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

**Significant Accounting Policies (Continued)**

1. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022**

| **Standard** | **Effective date and impact:** |
| --- | --- |
| **IPSAS 41:** Financial Instruments | **Applicable: 1st January 2023:**  The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.  IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:  • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held.  • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and  • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.  ***(State the impact of the standard to the Entity if relevant)*** |
| **IPSAS 42:** Social Benefits | **Applicable: 1st January 2023**  The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:  (a) The nature of such social benefits provided by the Entity;  (b) The key features of the operation of those social benefit schemes; and  (c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.  ***(State the impact of the standard to the Entity if relevant)*** |
| Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments | **Applicable: 1st January 2023:**   1. Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. 2. Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. 3. Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.   Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.  ***(State the impact of the standard to the Entity if relevant)*** |
| Other improvements to IPSAS | ***Applicable 1st January 2023***   * *IPSAS 22 Disclosure of Financial Information about the General Government Sector****.***   Amendments to refer to the latest System of National Accounts (SNA 2008).   * *IPSAS 39: Employee Benefits*   Now deletes the term composite social security benefits as it is no longer defined in IPSAS.   * **IPSAS 29: Financial instruments: Recognition and Measurement**   Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.  ***State the impact of the standard to the Entity if relevant*** |
| IPSAS 43 | ***Applicable 1st January 2025***  The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.  The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.  ***State the impact of the standard to the Entity if relevant*** |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | ***Applicable 1st January 2025***  The Standard requires,  Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation od such assets to cease and:  Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.  ***State the impact of the standard to the Entity if relevant*** |

1. **Early adoption of standards**

The entity did not early – adopt any new or amended standards in Financial Year 2021/22.

**Significant Accounting Policies (Continued)**

* + - 1. **Revenue Recognition**

1. **Revenue From Non-Exchange Transactions**

**Transfers from Other Government Entities/ Transfer of RMLF from KRB**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services, and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. In particular, revenue from non- exchange transactions relates to the transfer of funds from KRB to RMLF for the Road Authorities.

1. **Revenue from exchange transactions (Finance income (from RMLF funds))**

Finance income (from RMLF funds) is accrued using the effective yield method. Finance income (from RMLF funds) is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount. The method applies this yield to the principal outstanding to determine finance income (from RMLF funds) each period.

This relates to interests earned on the RMLF Accounts as held in Commercial Banks. Finance income (from RMLF funds) is reported at gross as received in the bank statement of the Road Authority.

* + - 1. **Certified Works**

Certified works are recognized when the works can be measured reliably and/ or when certificates of work done are received by the Road Authority.

* + - 1. **Roadwork Commitments**

Roadwork commitments arise from contracts entered into with contractors for road maintenance and development. These commitments are disclosed in note xx of these financial statements.

**Significant Accounting Policies (Continued)**

* + - 1. **Transfers to Operations**

This relates to XX% of the RMLF amount allowable for use by the Road Authority for operational activities. Operating expenses are expenses incurred by the Road Authority in the normal day to day operation of the RMLF.

* + - 1. **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 *(Remove if not applicable)*and at various commercial banks at the end of the financial year. For the purposes of these Financial Statements, cash and cash equivalents relates to bank balances in commercial banks for the RMLF as at the end of the financial year.

* + - 1. **Financial instruments**

1. **Financial assets**

***Initial recognition and measurement***

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

**Significant Accounting Policies (Continued)**

***Impairment of financial assets***

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ‘loss event’) and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

* The debtors or an entity of debtors are experiencing significant financial difficulty
* Default or delinquency in interest or principal payments
* The probability that debtors will enter bankruptcy or other financial reorganization
* Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

***Financial liabilities***

***Initial recognition and measurement***

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

***Loans and borrowing***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**Significant Accounting Policies (Continued)**  
For the purposes of this financial statement, receivables and payables will include:

* + - * 1. **GoK Receivables:** Relates to RMLF that is receivable or refundable by GoK (RMLF that is utilized for development purpose by the Road Authority and is therefore refundable by the GoK.
        2. **Receivable from KRB:** Relates to RMLF amounts yet to be disbursed by KRB to the Road Authority.
        3. **Advances to Contractors:** Relates to recoverable advances made by a Road Authority to the Contractor.
        4. **Certificate Payables:** Relates to amounts owed to Contractors with respect to road maintenance, rehabilitation and development arising from certified works. When a certificate of work is raised by the contractor, the Road Authority will debit contract payable and credit certificate payable. When the actual payment is done based of the raised certificates, the Road Authority will debit the Certificate Payables and credit RMLF Bank
        5. **Other Payables:** This relates to other payables to suppliers that is not part of road maintenance, rehabilitation and development. This may be in form of consultancies or normal office supplies relating to the RMLF that is not directly attributed to the road development.
        6. **Retention Monies:** This relates to the percentage of the Contract amount that is retained by Road Authorities on every payment certificate raised awaiting the lapse of the defect period.
      1. **Budget information**

The Annual Public Roads Programmed APRP (Original budget) for FY 20XX/20XX was approved on xxxx (Date). Subsequent revisions or additional appropriations were made to the approved budget (APRP) in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget (APRP) by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of xxxxx (Amount) on xxxx (Date) the FY 20XX/20XX budget following the governing body’s approval.

**Significant Accounting Policies (Continued)**

The entity’s budget is prepared based work plans from the Roads Authorities which is on cash basis. The Financial Statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the Financial Statements are also made for differences in the formats and classification schemes adopted for the presentation of the Financial Statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section XX of these Financial Statements.

* + - 1. **Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

* + - 1. **Changes in accounting policies and estimates**

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

* + - 1. **Related parties**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors/ Trustee, the Fund Managers and Fund Accountant.

**Significant Accounting Policies (Continued)**

* + - 1. **Comparative figures**

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

* + - 1. **Events after the reporting period**

There were no material adjusting and non- adjusting events after the reporting period**.**

* + - 1. **Ultimate and Holding Entity**

The entity is a Road Maintenance Levy Fund established by xxx Act *(state the legislation establishing the Fund*) under the Department of xxx. Its ultimate parent is the XXXX

* + - 1. **Currency**

The Financial Statements are presented in Kenya Shillings (Kshs).

* + - 1. **Significant judgments and sources of estimation uncertainty**

The preparation of the Entity's Financial Statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made e.g.

1. **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated Financial Statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

**Significant Accounting Policies (Continued)**

1. **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

*(Include provisions applicable for your organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)*

# Notes To the Financial Statements

1. **Road Maintenance Levy Fund**

|  |  |  |
| --- | --- | --- |
| **Description** | **2021/22** | **2020/21** |
|  | **Kshs ‘000** | **Kshs ‘000** |
| Xx% Rmlf Allocations | xx | xx |
| **Total** | **xxx** | **xxx** |

1. **Finance Income (Interest on RMLF Funds)**

|  |  |  |
| --- | --- | --- |
| **Description** | **2021/22** | **2020/21** |
|  | **Kshs ‘000** | **Kshs ‘000** |
| Finance Income (Interest On RMLF Funds) | xx | xx |
| **Total** | **xxx** | **xxx** |

1. **Certified Works**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Note** | **2021/22** | **2020/21** |
|  |  | **Kshs ‘000** | **Kshs ‘000** |
| Certified Works During The Year | 8 | xx | xx |
| **Total Expenditure** |  | **xxx** | **xxx** |

\**The Authority shall list Expenditure by Item, Region, Type of Contract or any other criteria based on how records are maintained by the Road Authority.*

1. **Transfers to Operations**

|  |  |  |
| --- | --- | --- |
| **Description** | **2021/22** | **2020/21** |
|  | **Kshs ‘000** | **Kshs ‘000** |
| Transfers to Operations\*\*\* | xx | xx |
| **Total** | **xxx** | **xxx** |

*\*\*\*KRB Act,1999 Section 6 (2) (l) the Highways Authority, the rural Roads Authority and the Urban Roads Authority may utilize such portion of monies received from the Fund for operational and administrative expenses as may be approved by the Minister on the advice of the Board: Provided that such expenditure shall not in any year exceed, as a proportion of the projected annual expenditure of the Fund—*

1. *in the case of the Highways Authority, four percent;*
2. *in the case of the Rural Roads Authority, five and half percent;*
3. *and (iii) in the case of the Urban Roads Authority, five and a half percent*

***(Delete as applicable)***

**Notes To the Financial Statements (Continued)**

1. **Transfer to Development Projects**

|  |  |  |
| --- | --- | --- |
| **Description** | **2021/22** | **2020/21** |
|  | **Kshs ‘000** | **Kshs ‘000** |
| Transfers To Xxx Project\* | xx | xx |
| Transfers To Xxx Project | xx | xx |
| **Total** | **xxx** | **xxx** |

***\* List the projects transferred to by names.***

1. **Other Roadworks Expenses**

|  |  |  |
| --- | --- | --- |
| **Description** | **2021/22** | **2020/21** |
|  | **Kshs ‘000** | **Kshs ‘000** |
| Road Related Consultancy Fees | xx | xx |
| Arbitration And Contractual Costs | xx | xx |
| Bailey Bridges Maintenance Systems | xx | xx |
| Emergency Works | xx | xx |
| Research And Innovations | xx | xx |
| Road Condition Surveys | xx | xx |
| Annual Road Condition And Inventory Surveys | xx | xx |
| Road Maintenance Systems | xx | xx |
| Road Safety Campaigns | xx | xx |
| Road Site Development Control | xx | xx |
| Feasibility Studies Costs | xx | xx |
| Non-Motorized Transport Facilities Design Costs | xx | xx |
| Children Traffic Park Costs | xx | xx |
| Traffic Light Sensor Costs | xx | xx |
| Axle Load Control And Management Costs | xx | xx |
| Road Reserve And Corridor Management Costs | xx | xx |
| In-House Design Costs | xx | xx |
| Environmental Awareness Program Costs | xx | xx |
| Road Reserve Mapping Costs | xx | xx |
| Intelligent Traffic Management System Costs | xx | xx |
| Iso Consultancies Costs | xx | xx |
| Monitoring Evaluation And Quality Assurance Costs | xx | xx |
|  |  |  |
| **Total** | xxx | xxx |

**Notes To the Financial Statements (Continued)**

1. **Cash and Cash Equivalents**
2. **Analysis of Bank and Cash balances:**

These represent cash held at various banks, as follows:

|  |  |  |
| --- | --- | --- |
| **Description** | **2021/22** | **2020/21** |
| **Amounts Held In Local Currency:** | **Kshs ‘000** | **Kshs ‘000** |
| Xxx Bank | xx | xx |
| Xxx Bank | xx | xx |
| Xxx Bank | xx | xx |
| **Total** | **xxx** | **xxx** |

The Authority is not exposed to credit risk on cash and bank balances as the funds are held with sound financial institutions approved by the Central Bank of Kenya.

**(b) Cash and cash equivalents**

For purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months’ maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months.

Analysis of cash and cash equivalents is as set out below: -

|  |  |  |
| --- | --- | --- |
| **Description** | **2021/22** | **2020/21** |
|  | **Kshs ‘000** | **Kshs ‘000** |
| Cash Balances | **xxx** | **xxx** |

1. **Receivables**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Note** | **2021/22** | **2020/21** |
|  |  | **Kshs ‘000** | **Kshs ‘000** |
| Receivable From KRB (XX% RMLF Allocations) | 7 (a) | xx | xx |
| Contractors’ Advances | 7 (b) | xx | xx |
| Gok Receivables |  | xx | xx |
| Other Receivables |  | xx | xx |
| **Total** |  | **xxx** | **xxx** |

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

1. **Movement of Contactors Advances:**

|  |  |  |
| --- | --- | --- |
| **Description** | **2021/22** | **2020/21** |
|  | **Kshs ‘000** | **Kshs ‘000** |
| Opening Balance As At 1st July 20XX (Contractors Advances) | xx | xx |
| Advances Issued To Contractors During The Year | xx | xx |
| Less: Recoveries From The Contractors During The Year | (xx) | (xx) |
| **Closing Balance As At 30th June 20XX** | **xxx** | **xxx** |

1. **Certificates Payable**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Note** | **2021/22** | **2020/21** |
|  |  | **Kshs ‘000** | **Kshs ‘000** |
| Opening Balance As At 1st July |  | xx | xx |
| Add: Total Certified Works During The Year\*\* | 3 | xx | xx |
| Less: Certificates Paid Within The Year |  | (xx) | (xx) |
| **Closing Balance As At 30th June** |  | **xxx** | **xxx** |

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

1. **Other Payables**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Note** | **2021/22** | **2020/21** |
|  |  | **Kshs ‘000** | **Kshs ‘000** |
| Retention Monies | 10 (a) | xx | xx |
| Other Roadworks Expenses |  | xx | xx |
| Tax Due | 13 | xx | xx |
| **Total** |  | **xxx** | **xxx** |

1. **Analysis of Retention Monies**

|  |  |  |
| --- | --- | --- |
| **Description** | **2021/22** | **2020/21** |
|  | **Kshs ‘000** | **Kshs ‘000** |
| Opening Balance As At 1st July | xx | xx |
| Contract Retentions During The Year | xx | xx |
| Less: Retentions Paid During The Year | (xx) | (xx) |
| **Closing Balance As At 30th June** | **xxx** | **xxx** |

1. **Accumulated Surplus**

|  |  |  |
| --- | --- | --- |
| **Description** | **2021/22** | **2020/21** |
|  | **Kshs ‘000** | **Kshs ‘000** |
| Accumulated Surpluses As At 1st July 20XX (From Prior Years) | xx | xx |
| Add: Surplus For The Year (As Per Statement Of Financial Performance) | xx | xx |
| **Accumulated Surpluses As At 30th June 20XX** | **xxx** | **xxx** |

1. **Cash Generated from Operations**

Reconciliation of Net Cash Flows from Operating Activities to Surplus for the year:

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Note** | **2021/22** | **2020/21** |
|  |  | **Kshs ‘000** | **Kshs ‘000** |
| Surplus For The Year | 11 | xx | xx |
|  |  |  |  |
| Adjustments For: |  |  |  |
| Finance Income | 2 | (xx) | (xx) |
| **Operating Income Before Working Capital Changes** |  | **xxx** | **xxx** |
|  |  |  |  |
| Changes In Working Capital Balances: |  |  |  |
| (Decrease)/Increase In Receivables | 7 | xx | xx |
| (Decrease)/Increase In Payables | 8 | xx | xx |
|  |  |  |  |
| **Net Cash Flows (To)/From Operating Activities** |  | **xxx** | **xxx** |

**Other disclosures**

1. **Financial risk management**

The Fund’s activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund’s overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund’s financial risk management objectives and policies are detailed below:

1. **Credit risk**

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity’s management based on prior experience and their assessment of the current economic environment.

**Other disclosures (Continued)**

The carrying amount of financial assets recorded in the Financial Statements representing the entity’s maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Total amount**  **Kshs** | **Fully performing**  **Kshs** | **Past due**  **Kshs** | **Impaired**  **Kshs** |
| **Current Year** |  |  |  |  |
| **At 30 June 20xx** |  |  |  |  |
| Receivables From Exchange Transactions | xxx | xxx | xxx | xxx |
| Receivables From Non-Exchange Transactions | xxx | xxx | xxx | xxx |
| Bank Balances | xxx | xxx | xxx | xxx |
| **Total** | **xxx** | **xxx** | **xxx** | **xxx** |
|  |  |  |  |  |
| **Prior Year** |  |  |  |  |
| **At 30 June 20xx** |  |  |  |  |
| Receivables From Exchange  Transactions | xxx | xxx | xxx | xxx |
| Receivables From Non-Exchange Transactions | xxx | xxx | xxx | xxx |
| Bank Balances | xxx | xxx | xxx | xxx |
| **Total** | **xxx** | **xxx** | **xxx** | **xxx** |

***(NB:*** *The totals column should tie to the individual elements of credit risk disclosed in the entity’s statement of financial position****)***

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognized in the Financial Statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from xxx.

The board of trustees sets the Fund’s credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**Other disclosures (Continued)**

1. **Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the RMLF Administrator/ Head of Finance, who has built an appropriate liquidity risk management framework for the management of the entity’s short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the RMLF under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Less than 1 month** | **Between 1-3 months** | **Over 5 months** | **Total** |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **Current Year** |  |  |  |  |
| **At 30 June 20xx** |  |  |  |  |
| Trade Payables | xxx | xxx | xxx | xxx |
| Current Portion of Borrowings | xxx | xxx | xxx | xxx |
| **Total** | **xxx** | **xxx** | **xxx** | **xxx** |
|  |  |  |  |  |
| **Prior Year** |  |  |  |  |
| **At 30 June 20xx** |  |  |  |  |
| Trade Payables | xxx | xxx | xxx | xxx |
| Current Portion of Borrowings | xxx | xxx | xxx | xxx |
| **Total** | **xxx** | **xxx** | **xxx** | **xxx** |

**Other disclosures (Continued)**

1. **Capital risk management**

The objective of the RMLF’s capital risk management is to safeguard the RMLF’s ability to continue as a going concern. The entity capital structure comprises of the following funds:

|  |  |  |
| --- | --- | --- |
|  | **2021/2022** | **2020/2021** |
|  | **Kshs** | **Kshs** |
| Accumulated Surplus | xxx | xxx |
| **Total Funds** | xxx | xxx |
|  |  |  |
| Total Borrowings | xxx | xxx |
| Less: Cash and Bank Balances | (xxx) | (xxx) |
| Net Debt/(Excess Cash and Cash Equivalents) | xxx | xxx |
| **Gearing** | xx% | xx% |

**Other disclosures (Continued)**

1. **Tax On Finance Income/Interest Income on RMLF**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** |  | **2021/22** | **2020/21** |
|  | **Note** | **Kshs ‘000** | **Kshs ‘000** |
| Gross Finance Income (a) | 2 | xx | xx |
| Less: Bank Charges (Finance Cost) (b) |  | (xx) | (xx) |
| **Finance Income Chargeable ( c) = (a) - (b)** |  | **xxx** | **xxx** |
| Tax Charge (d) = 30% of ( c) |  | xx | xx |
| **Less: Withholding Tax Charged ( e) = 15% of (a)** |  | (xx) | (xx) |
| Tax Payable (f) = (d) - ( e) |  | **xxx** | **xxx** |
| **Tax Paid (g)** |  | (xx) | (xx) |
| Tax Due (h) = (f) - (g) |  | **xxx** | **xxx** |

1. **Disclosure Note on Unexecuted Contracts and ongoing Contracts yet to be certified**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** |  | **2021/22** | **2020/21** |
|  | **Type of Contract** | **Kshs ‘000** | **Kshs ‘000** |
| Balances Of Unexecuted /Ongoing Contracts At  The Beginning of The Year |  | xx | xx |
| Add: Road Contracts Awarded in The Current  Year |  |  |  |
| Less Certified Works During the Year |  |  |  |
| **Closing Balance of Contract Commitment** |  |  |  |

*Itemize the contract commitment as per the records maintained by the Road Authority (Attach as an annex to this disclosure note.)*

*Include the type of contracts i.e. Periodic or Performance Based or Routine Maintenance Contracts*

# Annexes

**Annex I: Progress on Follow Up Of Auditor’s Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

| **Reference No. on the external audit Report** | **Issue / Observations from Auditor** | **Management comments** | **Status:**  ***(Resolved / Not Resolved)*** | **Timeframe:**  ***(Put a date when you expect the issue to be resolved)*** |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

***Guidance Notes:***

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

|  |  |
| --- | --- |
| **……………………………………..** | **……………………………………** |
| **Name** | **Name** |
| **Chairperson** | **Director General** |
| **Date** | **Date** |

**Annex II: Inter-Entity Confirmation Letter**

***[Insert your Letterhead]***

*[Insert name of beneficiary entity]*

*[Insert Address]*

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Confirmation of amounts received by [Insert name of beneficiary entity] as at 30th June 2022** | | | | | | | |
|  |  | Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022 | | | | Amount Received by [beneficiary entity]  (Kshs) as at 30th June 2021  (E) | Differences (Kshs)  (F)=(D-E) |
| Reference Number | Date Disbursed | Recurrent (A) | Development (B) | Inter–Ministerial  (C) | Total  (D)=(A+B+C) |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |
| In confirm that the amounts shown above are correct as of the date indicated.  **Head of Accountants department of beneficiary entity:**  **Name ………………………………………….. Sign …………………………….Date** **………………\_**\_\_\_\_\_\_\_\_\_\_ | | | | | | | |

**Annex III: Reporting of Climate Relevant Expenditures**

Name of the Organization

Telephone Number

Email Address

Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications) …………………

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Project Name** | **Project Description** | **Project Objectives** | **Project Activities** |  | | | | **Source Of Funds** | **Implementing Partners** |
|  |  |  |  | **Q1** | **Q2** | **Q3** | **Q4** |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

**Annex IV: Disaster Expenditure Reporting Template**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date: | | | | | | | |
| Entity | | | | | | | |
| Period to which this report refers (FY) | Year | | | Quarter | | |
| Name of Reporting Officer |  | | | | | |
| Contact details of the reporting officer: | Email | | | Telephone | | |
| Column I | Column II | Column III | Column IV | Column V | Column VI | Column VII |
| Programme | Sub-programme | Disaster Type | Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness) | Expenditure item | Amount (Kshs.) | Comments |
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