

REPUBLIC OF KENYA

101246



KENYA NATIONAL AUDIT OFFICE

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
EAST AFRICAN TRADE AND TRANSPORT
FACILITATION PROJECT – IDA CREDIT NO.
4148-KE**

**FOR THE YEAR ENDED
30 JUNE 2014**

KENYA PORTS AUTHORITY





Project Name

**EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P) KENYA
PORTS AUTHORITY COMPONENT
Integrated Security Systems (ISS)**

Implementing Entity: KENYA PORTS AUTHORITY

PROJECT GRANT/CREDIT NUMBER (IDA) LOAN NO. 41480 (EATTF-P)

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014**

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

EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P)
KENYA PORTS AUTHORITY COMPONENT
Integrated Security Systems (ISS)

*Reports and Financial Statements
For the financial year ended June 30, 2014*

CONTENTS	PAGE
1. PROJECT INFORMATION AND OVERALL PERFORMANCE	i
2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES	vi
3. REPORT OF THE INDEPENDENT AUDITORS ON THE xxxx PROJECT	vii
4. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2014.....	11
5. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2014.....	12
7. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS	14
8. NOTES TO THE FINANCIAL STATEMENTS	15

**EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P)
KENYA PORTS AUTHORITY COMPONENT
Integrated Security Systems (ISS)**

***Reports and Financial Statements
For the financial year ended June 30, 2014***

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is East Africa Trade and Transport Facilitation Project (EATTF-P) Kenya Ports Authority Component Integrated Security Systems (ISS)

Objective: The key objective of the project was to enhance port security

Address: The project headquarters offices are KPA Headquarters- Kipevu, Mombasa, Kenya.

The address of its registered office is:

KPA Headquarters, Kipevu
P.O.BOX 95009-80104
MOMBASA
KENYA.

The project office is at KPA Headquarters Kipevu, Mombasa

Contacts: The following are the project contacts

Telephone: (254) 41-2113999

E-mail: KPAm@kpa.co.ke

Website: www.kpa.co.ke

1.2 Project Information

Project Start Date:	November, 2007 (Consultancy) December 2010 (Construction Works)
Project End Date:	September, 2014
Project Manager:	Mr Sylvester K. Ndongoli
Project Sponsor:	World Bank (IDA) and Kenya Ports Authority.

1.3 Project Overview

Line Ministry/State Department of the project	Ministry of Transport and Infrastructure Project Supervision/Consultant was M/s Gordon Engineers Consulting Ltd. And the Project Contractor was M/s Magal Security Systems Ltd.
Project number	Project ID No. P079734, Loan No 41480
Strategic goals of the project	The project was undertaken with the following objectives: (i) To enhance security in the Port of Mombasa

**EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P)
KENYA PORTS AUTHORITY COMPONENT
Integrated Security Systems (ISS)**

***Reports and Financial Statements
For the financial year ended June 30, 2014***

	(ii) To meet the requirements of the International Maritime Organization (IMO), International Ship and Port Facility Security (ISPS) Code by installing an Integrated Security System (ISS) at the Port of Mombasa.
Achievement of strategic goals	The project management aimed to achieve the goals through the following means: (i) Implementing an Integrated Security System including Security Surveillance Equipment and Communication (ii) Training and providing technical support for ISPS implementation (iii) Consultancy, Supervision and Oversight
Other important background information of the project	In January, 2006 the World Bank Board of Directors approved a development credit through the International Development Association (IDA) under the East Africa Trade & Transport Facilitation Project (EATTFP). The project started in November 2007, with the appointment of the project Consultants; M/s Gordon Engineers Consulting Ltd. The actual construction work started in December 2010 with the appointment of M/s Magal Security Systems Ltd and was completed in September 2014.
Current situation that the project was formed to intervene	The Integrated Security System (ISS) included but was not limited to Perimeter Detection System, CCTVs, Digital Video Recording, Access Control and Time Management System, Video Motion Detection System, Intrusion Detection System, Security Management software, Security Command and Control Centres, Printing of Security Documents and Security Communication System for the Kenyan seaport of Mombasa.
Project duration	November 2007 to September 2014.

1.4 Bankers

The following are the bankers for the current year:

1. Citi Bank N.A.
New York
Account Number 3684 - 5013
P.O. 111 WALL STREET N/YORK
NEW YORK

2. Citi Bank N.A. Citi House
Nkrumah Road
Account Number 0300046448
P.O.BOX 83615
MOMBASA

EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P)
KENYA PORTS AUTHORITY COMPONENT
Integrated Security Systems (ISS)

Reports and Financial Statements
For the financial year ended June 30, 2014

1.5 Auditors

The project is audited by the;

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

1.6 Roles and Responsibilities

The Project Implementation (PIT) Team was as follows:-

Names	Title designation	Responsibilities
Capt. Twalib Khamis	General Manager Operations	Project Team Leader
Mr. Sylvester K. Ndongoli	Ethics And Integrity Manager	Project Manager
Mr. Yobesh Oyaro	Head of Procurement & Supplies	PIT Member
Ms. Fatma Nabhany	Head of Information Technology	PIT Member
Ms. Mariam Khamis	Principal Port Security Officer ISS	PIT Member
Ms. Catherine Wairi	General Manager Finance	Project Accountant
Mr. Boniface Musumba	Port Security Officer	PIT Member
Mr. Mohamed D. Morowa	Head of Security Services	PIT Member
Mr. Robert Warui	Principal Legal Officer	Project Legal Officer

1.7 Funding summary

The Project approved budget as per the loan agreement between Government of Kenya and International Development Association was for USD. 13.4M. (USD 11.5M as per original project appraisal document (PAD) and USD 1.9M as per additional financing)

**EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P)
KENYA PORTS AUTHORITY COMPONENT
Integrated Security Systems (ISS)**

**Reports and Financial Statements
For the financial year ended June 30, 2014**

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30.06.2014)		Undrawn balance to date (30.06.2014)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan	USD	KES	USD	KES		
International Development Association (IDA)	13,400,000	1,179,230,217	14,544,000	1,279,052,330	1,144,000	99,822,113
(ii) Counterpart funds						
Kenya Ports Authority	14,838,804	1,295,468,940	14,838,804	1,295,468,940	0	0
Total	28,238,804	2,474,699,157	29,382,804	2,574,521,270	1,144,000	99,822,113

The above table is being disclosed for the first time as a result of change in presentation format.

The original project appraisal document (PAD) had factored USD 11.5M for ISS component and a further USD 1.9M in the revised PAD for additional financing.

1.8 Summary of Overall Project Performance:

The budget performance had a positive variance of Kes, 99,822,113 i.e. total funding less the assets value.

The project has been implemented successfully and the system is in full use as per the objective. Value for money has been achieved since security has been enhanced at the Port of Mombasa.

1.9 Summary of Project Compliance:

The project has complied with all the legal and regulatory requirements. Funds received or appropriated to the project have been used in compliance with the law and achievement for highest value for money. The only known exception is the fact that whereas the project was zero rated for all Taxes, and all approval sought, exemption for withholding tax is still pending at the National Treasury.

Further when the Project was initiated it was a requirement that a separate bank account was to be opened for exclusive use in management of project funds. This was done in full compliance however other unrelated funds from the National Government were channelled into this specific account.

EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P)
KENYA PORTS AUTHORITY COMPONENT
Integrated Security Systems (ISS)

Reports and Financial Statements
For the financial year ended June 30, 2014

These funds were transferred out as soon they were received. These funds have not been reflected in the project financial statement. It is also disclosed that KPA invested and earned interest income from banks out of project funds. This income has only been disclosed in the main KPA accounts and not in these project accounts.

EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P)
KENYA PORTS AUTHORITY COMPONENT
Integrated Security Systems (ISS)

*Reports and Financial Statements
For the financial year ended June 30, 2014*

2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Managing Director for Kenya Ports Authority and the General Manager Finance are responsible for the preparation and presentation of the ISS 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 year (period) ended on June 30, 2014. 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.

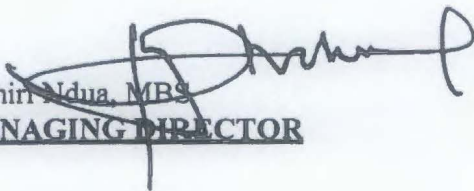
The Managing Director for Kenya Ports Authority and the General Manager Finance accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Managing Director for Kenya Ports Authority and the General Manager Finance 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, 2014, and of the Project's financial position as at that date. The Managing Director for Kenya Ports Authority and the General Manager Finance 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 Managing Director for Kenya Ports Authority and the General Manager Finance confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/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 Managing Director for Kenya Ports Authority and the General Manager Finance on 02.09.2014.


Gichiri Nduu, MBS
MANAGING DIRECTOR


John M. Nyamosi
FOR: GENERAL MANAGER FINANCE

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON EAST AFRICAN TRADE AND TRANSPORT FACILITATION PROJECT – IDA CREDIT NO. 4148-KE FOR THE YEAR ENDED 30 JUNE 2014 - KENYA PORTS AUTHORITY

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of East African Trade and Transport Facilitation Project Credit No. 4148-KE set out on pages 1 to 8, which comprise the statement of financial assets and liabilities as at 30 June 2014, statement of receipts and payments, statement of cashflows, statement of comparative budget and actual amounts, special account statement for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003 and the Development Credit Agreement No.4148-KE dated 5 April 2006 between International Development Association (IDA) and the Republic of Kenya. 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.

Management's Responsibilities for the Financial Statements

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 such 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.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 7 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with Section 15(2) of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my adverse audit opinion.

Basis for Adverse Opinion

1. Payments of Non-Current Assets

The statement of receipts and payments reflect payments amounting to Kshs.184,708,128 in respect of Non-Current assets. Although the payments were supposed to have been supported by an interim certificate from the consulting engineer, the relevant documents in support of these payments were not availed for audit verification. Further, no evidence was availed for audit verification to confirm that the payments were approved by the Project Implementation Team. Consequently it was not possible to ascertain that the supervising engineer and the Project Implementation Team performed their duties as stipulated in the Project appraisal document to justify the expenditure and propriety of the payment amounting to Kshs.184,708,128.

2. Purchase of Equipment

A review of documents availed for audit verification indicated that as at 30 June 2014 the Project had twenty-two metal detection gates installed throughout the institution and four in store at a total cost of Kshs.18,668,286. All these detection gates are yet to be operationalized since the position where they are installed as at 15 November 2014 are not manned or monitored. In addition, five Optical Character Readers (OCR) valued Kshs.75,037,500 had been installed as at 30 June 2014 at three gates that are supposed to record the container details as they enter and leave the Port. However, the installed Optical Character Readers are inadequate since most of the gates with more than two operational lanes had only one OCR installed in one lane. Due to the highlighted inadequacy, not all the containerized cargo entering and leaving the Port is scanned by these equipment. In addition, it was not possible to obtain the recorded data that has so far been

captured by this equipment. In the circumstances, it has not been possible to ascertain whether the equipment were actually functional.

Similarly, two x-ray screening systems costing Kshs.11,863,146 had been installed on as at 30 June 2014 at gate 8 and gate 12 were not in use at the time of the audit.

Consequently, it was not possible to ascertain if the Authority obtained value for money in procurement of the assets amounting to Kshs.105,568,932.

3. Total Receipts and Payments

The statement of receipts and payments indicate that both total receipts and payments amounted to Kshs.204,940,644. However, during the same period the project's local bank account reflect unsupported receipts amounting Kshs. 859,167,671.20 and payments amounting Kshs.3,880,951,604.61 in which the management explained that the funds were transferred into the project's bank account by the parent Ministry. It is not clear how the Ministry could have transferred funds which do not relate to the Project.

Consequently, the accuracy of statement of receipts and payments for the year ended 30 June 2014 could not be ascertained.

4. Unremitted Withholding Tax:

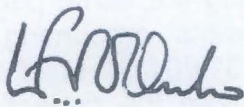
During the year under review, the management paid consultant fees amounting Kshs.20,232,516 without deducting and remitting to KRA withholding tax amounting Kshs.4,011,732.96. Further, and as in the previous year's report, withholding consultancy tax and contractor's fee totalling Kshs.16,972,117 is yet to be recovered and this contravenes the Income Tax Act and may attract fines and penalties.

5. Statement of Comparative Budget and Actual Amounts

The statement of comparison of budget against actual amounts reflects actual receipts totalling Kshs.204,940,644. However, the statement did not reflect the corresponding budget figures contrary to the requirement of International Public Sector Accounting Standards (Cash Basis). Further, the management failed to avail for audit review the approved budget for the period under consideration. It was therefore not possible to appraise the actual financial project performance against the target for the year ended 30 June 2014.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, in all material respects, the financial position of the Project as at 30 June 2014, its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and does not comply with the Financing Agreement dated 5 April 2006.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

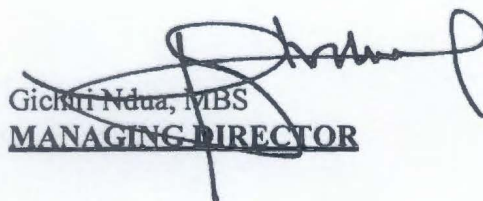
22 December 2014

**Statement of Budget Performance
For the year ended June 30, 20X1**

4. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2014

	Note	2013/2014 Kshs	2012/2013 Kshs	Cumulative to-date Kshs
RECEIPTS				
Proceeds from KPA- Counterpart Funding	8.3	31,745,582	561,573,702	1,295,468,940
IDA Loan	8.4	173,195,062	459,185,754	1,279,052,330
Total receipts		204,940,644	1,020,759,456	2,574,521,270
PAYMENTS				
Consultancies	8.5	20,232,516	180,587,647	487,163,916
Purchase of goods Non- Current Assets	8.6	184,708,128	833,460,712	1,987,535,241
Other grants and transfers and payments		0	0	0
TOTAL PAYMENTS		204,940,644	1,014,048,359	2,474,699,157
SURPLUS/DEFICIT FOR THE YEAR		0	6,711,097	99,822,113

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


Gichiri Nduu, MBS
MANAGING DIRECTOR


John N. Nyamosi
FOR: GENERAL MANAGER FINANCE

Date

Date

EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P)
KENYA PORTS AUTHORITY COMPONENT
Integrated Security Systems (ISS)

Reports and Financial Statements
For the financial year ended June 30, 2014

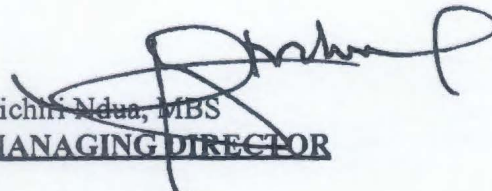
5. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2014

	Note	2013/2014 Kshs	RESTATED 2012/2013 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances Citi Bank Mombasa	8.7	99,822,113	22,725,837
KPA Accounts		0	77,096,276
Cash Balances Citi Bank New York		93,099,019	86,515,997
TOTAL FINANCIAL ASSETS		192,921,132	186,338,110
REPRESENTED BY:			
Cash and cash equivalents b/fwd.		192,921,132	179,627,013
Surplus for the year		0	6,711,097
NET FINANCIAL POSITION		192,921,132	186,338,110

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 02.09.2014 and signed by:

*Reinstatement of Bank balances

	Kshs
Balance as per the audited accounts 30.06.2013	136,608,390
Adjustment to reinstate;	
Funds paid from KPA Citibank dollar not adjusted	21,581,671
Overstated balance of project bank balance (KPA accounts)	15,203,361
Less bank charges Not adjusted	1,245
Bank Balance	99,822,113


Gichiri Nduu, MBS
MANAGING DIRECTOR

Date


John N. Nyamosi
FOR: GENERAL MANAGER FINANCE

Date

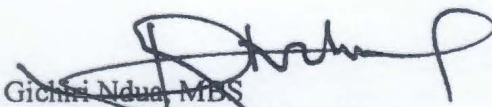
EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P)
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Reports and Financial Statements
For the financial year ended June 30, 2014

STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2014

	2013/2014	2012/ 2013
	KSHS	KSHS
CASHFLOW FROM OPERATING ACTIVITIES		
Counterpart funds KPA	31,745,582	561,573,702
Payments to Consultants	-20,232,516	-180,587,647
Net cash flows from Operating Activities	11,513,066	380,986,055
CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from IDA	173,195,062	459,185,754
Net cash flow from financing activities	173,195,062	459,185,754
CASHFLOW FROM INVESTING ACTIVITIES		
Acquisition of Assets	-184,708,128	-833,460,712
Net cash flows from Investing Activities	-184,708,128	-833,460,712
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENT	0	6,711,097
Cash and cash equivalent at BEGINNING of the year	99,822,113	93,111,016
Cash and cash equivalent at END of the year	<u>99,822,113</u>	<u>99,822,113</u>

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 02.09. 2014 and signed by:


Gichiri Nduu, MBS
MANAGING DIRECTOR


John N. Nyamosi
FOR: GENERAL MANAGER FINANCE

Date

Date

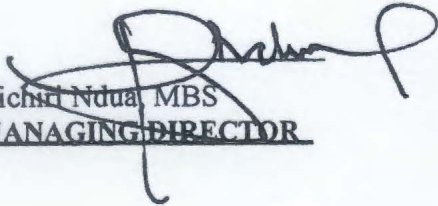
EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P)
KENYA PORTS AUTHORITY COMPONENT
Integrated Security Systems (ISS)

Reports and Financial Statements
For the financial year ended June 30, 2014

6. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Variance	% of Variance
	a	b	c=a+b	d	e=d-c	f=e/c %
Receipts						
Counterpart funds KPA				31,745,582		
Proceeds from IDA				173,195,062		
Miscellaneous receipts						
Total Receipts				204,940,644		
Payments						
Acquisition of non-financial assets				184,708,128		
Consultancy				20,232,516		
Other payments						
Total Payments				204,940,644		

*The budget had been provided for 2011/12, 2012/13 for counterpart funding and for the year under review the project was relying on roll over of Project funds which have subsequently been utilized.


Gichini Nduai MBS
MANAGING DIRECTOR

Date


John N. Nyamosi
FOR: GENERAL MANAGER FINANCE

Date

EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P)
KENYA PORTS AUTHORITY COMPONENT
Integrated Security Systems (ISS)

*Reports and Financial Statements
For the financial year ended June 30, 2014*

NOTES TO THE FINANCIAL STATEMENTS

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

8.1 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Project and all values are rounded to the nearest one Shilling. The accounting policies adopted have been consistently applied to all of the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts and the format of presentation is being used for the first time. The cash basis of accounting recognises transactions and events only when cash is received or paid out by the Project.

i. Recognition of revenue and expenses

The Project recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the Project. In addition, the Project recognises all expenses when the event occurs and the related cash has actually been paid out by the Project.

ii. In-kind donations

In-kind donations are contributions 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 of in-kind donations can be reliably determined, the Project includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the donation is not recorded.

iii. 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 various commercial banks at the end of the financial year/period. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers

EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P)
KENYA PORTS AUTHORITY COMPONENT
Integrated Security Systems (ISS)

Reports and Financial Statements
For the financial year ended June 30, 2014

and/or institutions which had not been surrendered or accounted for at the end of the financial year/period.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

iv. **Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year/period arising from contracted goods or services during the year/period or in past years/periods. As pending bills do not involve the payment of cash in the reporting period, they are simply disclosed as an Annex to the financial statements. 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.

v. **Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification 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. 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.

vi. **Exchange rate differences**

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

The Project Suppliers paid were all US\$ denominated and payments made in the same currency. Translation gain/losses are absorbed in the KPA main books accounts.

vii. **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.

**EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P)
KENYA PORTS AUTHORITY COMPONENT
Integrated Security Systems (ISS)**

***Reports and Financial Statements
For the financial year ended June 30, 2014***

viii. Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30th, 2014. It is however noted that the project has since been closed and balance's outstanding in the project account of Kes, 99,822,113 being unutilized World Bank funds have remitted to the National Treasury.

- 8.3** KPA/GOK is required to provide funds for the project activities in accordance with the terms and conditions of the legal Agreement and as per the project appraisal document. The amount is usually accumulated under KPA's contribution in the Project.

KPA COUNTERPART FUNDING		
		RESTATED
	2013/2014	2012/2013
	KSHS.	KSHS.
Consultancy	7,576,140	3,932,474
Non – Current Assets	24,169,442	535,626,371
Bank deposit	0	22,014,857
TOTAL	31,745,582	561,573,702

- 8.4** This relates to World Bank initiated payments made to the Project Consultant and the Project Contractor.

Supplier/ Contractor	30-Jun-14	30-Jun-13
	Kshs.	Kshs.
Ms. Gordon Consulting Engineering Services Ltd	12,482,525	0
Ms. Magal Consulting Engineers Limited	160,712,537	459,185,753
Total	173,195,062	459,185,753

8.5 Consultancy

Consultancy	30-Jun-14	30-Jun-2013
	KSHS.	KSHS.
Gordon Consulting Engineers Ltd	20,232,516	180,587,647
Total	20,232,516	180,587,647

EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P)
KENYA PORTS AUTHORITY COMPONENT
Integrated Security Systems (ISS)

*Reports and Financial Statements
For the financial year ended June 30, 2014*

8.6 Non- Current Assets

	30-Jun-14	30-Jun-2013
	KSHS.	KSHS.
Magal Security System Ltd	184,708,128	833,460,712
	184,708,128	833,460,712

8.7 Bank Balance

		RESTATED
	30-Jun-14	30-Jun-2013
	KSHS	KSHS
Citi Bank Mombasa	99,822,113	99,822,113
	99,822,113	99,822,113


Gichiri Ndua, MBS
MANAGING DIRECTOR

Date


John N. Nyamosi
FOR: GENERAL MANAGER FINANCE

Date

**EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (EATTF-P) KENYA PORTS
AUTHORITY COMPONENT INTEGRATED SECURITY SYSTEMS (ISS)**

PROJECT TRIAL BALANCE

Assets			
			RESTATED
Asset No.	Asset Description	Acquisition Costs as at	
		30th june, 2014	30th june, 2013
		KShs	KShs
280075	ISS MECHANICAL & CIVIL WORKS	524,964,895.36	389,519,089.12
520258	ISS ELECTRICALS & ELECTRONICS	1,792,340,079.08	1,314,074,815.58
815441	ISS Servers	16,680,034.89	0
884418	ISS FURNITURE	30,938,659.37	30,938,659.37
910022	ISS SOFTWARE	104,767,911.66	78,973,362.08
	Works in progress Account	5,007,577.02	240,178,264.57
	Total	2,474,699,157.38	2,053,684,190.72
	Current Assets		
201350	EATTFP (CITI Bank Mombasa)	99,822,113.00	99,822,113.00
		99,822,113.00	99,822,113.00
	Short term Liabilities		
200645	Magal Security Systems Ltd	0	96,598.35
200410	Gordon Consulting Engineers Ltd	0	152,882.44
		0	249,480.79
	Long term liabilities		
206050	On-lent Loan - EATTFP	1,279,052,330.21	1,113,335,624.51
	KPA Counter part Funding	1,295,468,940.17	1,039,921,198.42