



REPORT

THE NATIONAL ASSEMBLY	
DATE: 12 OCT 2022	Day: Wednesday
TABLED BY:	LOM
OFFICER AT THE TABLE:	Miriam Mudo

THE AUDITOR-GENERAL

ON

**NATIONAL WATER HARVESTING AND
STORAGE AUTHORITY**

**FOR THE YEAR ENDED
30 JUNE, 2021**



Hifadhi Maji, Boresha Maisha



NATIONAL WATER HARVESTING & STORAGE AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2021

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

**National Water Harvesting & Storage Authority
Annual Report and Financial Statements
for the year ended June 30, 2021**



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I. KEY AUTHORITY INFORMATION AND MANAGEMENT

(a) Background information

National Water Harvesting and Storage Authority is established under Section 30 of the Water Act 2016. Section 149 of the Water Act 2016, transformed the Authority from National Water Conservation & Pipeline Corporation (NWCPC) which was established under the State Corporation's Act Chapter 446 of the Laws of Kenya vide Legal Notice No. 270 of 24th June, 1988.

Vision

“To be the premier authority in water infrastructure development and management in Kenya and beyond.”

Mission

“Developing and managing national water works infrastructure towards enhancing water security, flood mitigation and storage for multipurpose use.”

(b) Principal Activities

The Authority's Mandate and functions as stipulated in Section 32 of the Water Act 2016 are as follows;

- (1) The functions and powers of the Water Storage Authority shall be to -
 - a) Undertake on behalf of the national government, the development of national public water works for water resources storage and flood control;
 - b) Maintain and manage national public water works infrastructure for water resources storage;
 - c) Collect and provide information for the formulation by the Cabinet Secretary of the national water resources storage and flood control strategies;
 - d) Develop a water harvesting policy and enforce water harvesting strategies;
 - e) Undertake on behalf of the national government strategic water emergency interventions during drought; and
 - f) Advise the Cabinet Secretary on any matter concerning national public water works for water storage and flood control.
- (2) The Water Storage Authority may appoint agents for the operation, management, maintenance and safety of any storage infrastructure that it has developed.
- (3) The Water Storage Authority shall have such other powers and functions as may be conferred or imposed on it by this or any other Act

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KEY AUTHORITY INFORMATION AND MANAGEMENT (Continued)

(c) Key Management

The *Authority's* day-to-day management is under the following key organs:

- Board of Directors
- Accounting officer/Chief Executive Officer
- Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Name of the Staff	Responsibility
1	CS. Sharon Obonyo	Chief Executive Officer (Acting)
2	Eng. Reuben Itiko	General Manager Construction (Acting)
3	CPA Patrick Ataro	General Manager, Finance & Corporate Planning
4	Eng. Henry Kigenyi	General Manager Technical Planning & Design (Acting)
5	Mr. George Nyabicha	General Manager Corporate and Legal Services (Acting)
6	CS. Joseph Ojiambo	General Manager Human Resource & Administration (Acting)
7	Mr. John Musyoka	Chief Procurement Officer
8	CPA. Philip Nzengu	Chief Internal Auditor

(e) Fiduciary Oversight Arrangements

Finance Committee

The Committee comprises of four directors (one of them as Chairman) and the Chief Executive Officer as the Secretary.

The Committee has the following duties and responsibilities as directed by the Board:

- a) Develop, review and monitor implementation of the resource mobilization strategy of the Authority;
- b) Review and make recommendations to the Board of Directors regarding the Authority's annual financial plans;
- c) Review the financial condition of the Authority and its requirements for funds;
- d) Review and make recommendations to the Board of Directors regarding any proposed capital project which is required to be approved by the Board of Directors;
- e) Review and make recommendations to the Board where appropriate regarding Authority's financial and risk management policies and practices, including cash investment policies; debt limitations; annual and longer-term operating plans; long-term capital expenditure projects; financing plans; and other financial transactions or issues that management desires to have reviewed by the Committee.

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Governance, Risk & Audit Committee

This Committee comprises of four directors (one of them as Chairman) excluding the Chief Executive Officer and the secretary is the Chief Internal Auditor

The Board of Directors of the Authority established the Risk & Audit Committee to discharge duties related to safeguarding the Authority's assets; operation of adequate systems; control processes and preparation of accurate financial reporting and statements in compliance with legal requirements and accounting standards

The Committee shall have the following duties and responsibilities, as well as such other duties and responsibilities as it deems appropriate to carry out its purposes or as directed by the Board:

- a) Deal with appointment and termination of the Chief Internal Auditor. The Committee shall recommend this to the Board of Directors for approval;
- b) Discuss problems and reservation arising from the final audits, and any matter the external auditor may wish to discuss (in the absence of management where necessary);
- c) Review the external auditor's report(s) to the Management and Management's response;
- d) Consider the major findings in internal investigations and Management's response;
- e) Have explicit authority to investigate any matter within its terms of reference, the resources that it needs to do so and full access to information;
- f) Obtain external professional advice and to invite outsiders with relevant experience to attend, if necessary;
- g) Consider other topics as defined by the Board including regular review of the capacity of the internal audit function; and
- h) The Committee must ensure that all legal provisions are followed. In addition to the various statutes that apply to the Authority's operations, these should include:
 - Code of Conduct
 - Water Act 2016
 - The Government's Rules and Regulations
 - State Corporation's Act
 - Policies, Rules and Regulations established by the Board
- i) Establish an internal audit function and the Risk & Audit Committee's function in relation to Internal Audit functions, to include:
 - Review of the adequacy, scope, functions and resources of the Internal Audit function and ensure that it has the necessary authority to carry out its work.
 - Review the Internal Audit Program and results of the Internal Audit process and, where necessary ensure that appropriate actions are taken on the recommendations of the Internal Audit function.
 - Review any appraisal or assessment of the performance of members of the Internal Audit function.
 - Approve any appointment or termination of senior staff members of the Internal Audit function.
 - Ensure that the Internal Audit function is independent of the activities of the Authority and is performed with impartiality, proficiency and due professional care.

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Human Resource and General Purpose Committee

The Committee comprises of four directors (one of them as Chairman) and the Chief Executive Officer as the Secretary.

The Board of Directors of the National Water Harvesting & Storage Authority has established the Human Resources and General Purposes Committee to review, and as appropriate, act on behalf of the Board, or make recommendations to the Board concerning staff, corporate communication, corporate social responsibility and legal issues.

The Committee has the following duties and responsibilities as directed by the Board:

- a) Human Resource Planning by ensuring there is a staff establishment; the right number and quality of staff with relevant skills; and succession planning
- b) Development of the Corporation's Organizational Structure
- c) Recruitment and selection and retention of staff with the relevant skills
- d) Training and development of employees to improve organizational productivity
- e) Ensure that the employees are rewarded through an Employee Merit Reward System and that the employees' salaries are constantly reviewed and they are provided with better incentives and benefits
- f) Ensure that there are disciplinary and grievance-handling procedures in place outlining how they are administered
- g) General Staff Welfare – Ensure that the employees have conducive work environment, health and safety
- h) Review and approve terms and conditions of service for Corporation employees;
- i) Handle policy issues on Human Resource and Administration; and performance management
- j) Oversee the implementation of change process plans in the organization;
- k) Ensure compliance with the State Corporations Act Cap. 446, Water Act of 2002, provisions of the Legal Notice No 270 of 1998 and any written law
- l) Interpret regulations that may be issued from time to time by the Ministry of Water and Irrigation and the Government;
- m) Handle policy issues on Corporate communications and corporate social responsibility
- n) Review all litigation matters.
- o) Promote effective communication within and with all stakeholders.

The Committee meets on quarterly or need basis.

Strategy Technical and Business Development Committee

The Committee comprises of four directors (one of them as Chairman) and the Chief Executive Officer as the Secretary.

The Board of Directors of the National Water Harvesting & Storage Authority has established the Strategy, Technical and Business Development Committee to review, and as appropriate, act on behalf of the Board, or make recommendations to the Board concerning planning, strategy, technical, ICT and business development issues.

The Committee has the following duties and responsibilities, as directed by the Board:

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- a) Review strategies, plans and service charters for attaining the Corporation's Service Delivery Objectives.
- b) Give policy direction in the development of the Corporation's Strategic Plan/ Business Plan and monitoring its implementation
- c) Review ISO certification procedures manuals
- d) Give policy direction in development of pro-poor approaches and community involvement in projects
- e) Approval of project work plans and Performance Contract targets
- f) Approve the Quarterly Performance Contract Progress Reports.
- g) Review proposals and plans for infrastructure development and improvement.
- h) Consider, evaluate and review progress of implementation for infrastructure development programs.
- i) Consider, evaluate and review performance of outsourced works
- j) Consider and evaluate the use of new and appropriate technologies in provision of water storage facilities
- k) Ensure compliance by the Corporation with statutory regulations relating to the Environment and Water Resources Management
- l) Review and give policy direction on proposals for gazettelement and implementation of state schemes
- m) To receive, examine and approve implementation of new/proposed projects as well as reports on the applications of new technologies.
- n) Where necessary on sample basis visit projects under implementation to access progress and recommend the way forward or any action plans.
- o) To receive deliberate on and give guidance on policy matters with respect to progress reports on the on-going projects;
- p) To discuss any other relevant matters that pertains to the technical operations of the company.
- q) To discuss any other business arising from the Strategy, Technical and Business Development committee.

KEY AUTHORITY INFORMATION AND MANAGEMENT (Continued)

(f) Headquarters

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Nairobi, Kenya.

(g) Contacts

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(h) Bankers

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Nairobi, Kenya

National Bank of Kenya
National Bank Building Harambee Avenue, Nairobi
P.O BOX 72866
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Nairobi, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

THE BOARD OF DIRECTORS