

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THWAKE MULTI-PURPOSE  
DEVELOPMENT PROGRAM  
PHASE 1 (AFDB LOAN NO.2100150029993,  
2000200003351, AGTF NO.5050200000501  
AND AFDB GRANT NO.2100155025973)**

**FOR THE YEAR ENDED  
30 JUNE, 2023**

**STATE DEPARTMENT FOR  
WATER AND SANITATION**

THE NATIONAL ASSEMBLY  
PAPERS LAYD

DATE: 12 MAR 2024

TUESDAY

TABLED

BY:

CLERK

RE: 12/3/24

Hon Owen Baya, MP  
Deputy majority party  
leader







**PROGRAM NAME: THWAKE MULTI - PURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

**IMPLEMENTING ENTITY: MINISTRY OF WATER, SANITATION AND IRRIGATION  
STATE DEPARTMENT FOR WATER AND SANITATION**

**ADB PROGRAM/PROJECT NO: AfDB LOAN 2100150029993, 2000200003351  
AfDB GRANT 2100155025973, AGTF 5050200000501**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE, 2023**

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

**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

***Annual Report and Financial Statements for the Year ended 30 June, 2023***

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***1. ACRONYMS AND GLOSSARY OF TERMS***

ACCA – Association of Chartered Certified Accountants  
AfDB – African Development Bank  
AGTF – Africa Grow Together Fund  
AIA – Appropriation In Aid  
BOQs – Bill of Quantities  
CFRD – Concrete Face Rockfill Dam  
CGGC – China Gezhouba Group Company  
CIPS – Chartered Institute of Professional Studies  
CPA – Certified Public Accountant  
ESIA – Environmental Social and Impact Assessment  
GOK – Government of Kenya  
ICPAK – Institute of Certified Public Accountant of Kenya  
IPCs – Interim Payment Certificates  
KSHS – Kenya Shilling  
KRA – Kenya Revenue Authority  
MDAs – Ministries, Departments and Agencies  
NCA – National Construction Authority  
NEMA – National Environment and Management Authority  
NLC – National Land Commission  
PAPs – Program Affected Persons  
PFM – Public Finance Management  
PIT – Program Implementation Team  
PSASB – Public Sector Accounting Standards Board  
SDA – Special Deposit Account  
TMWDP – Thwake Multipurpose Water Development Program  
UA – Unit of Account  
USD – United States Dollar  
VAT – Value Added Tax

## **THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

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### **2. PROGRAM INFORMATION AND OVERALL PERFORMANCE**

#### **2.1: Name and registered office**

**Name:** The Program's official name is Thwake Multipurpose Water Development Program, Phase 1. It has a Program Implementation Team under the direction of the Program Coordinator.

**Objective:** The key objective of the Program is the construction of the Thwake Dam and its associated works at the confluence of the Athi River and the Thwake River, for the supply of water to the Konza City and other towns in Kitui, Makueni and Machakos, hydropower generation, and for irrigation of parts of Kitui and Makueni Counties.

**Address:** The Program implementation operational office is in Engineers Camp – Thwake. The Ministry has also provided an office in Maji House for coordination purposes.

The address of its office is:

Ministry of Water, Sanitation & Irrigation

Maji House, Room 209.

P.O Box 49720 – 00100,

Nairobi.

**Contacts:** The following are the Program contacts:

Telephone: (254) 723 686401

E-mail: [midrocke@yahoo.com](mailto:midrocke@yahoo.com)

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

#### **2.2: Program Information**

Program Start Date:	The Program start date is 01/09/2014.
Program End Date:	The Program end date is 30/06/2025.
Program Coordinator:	Eng. David Onyango
Program Sponsor:	In the Original Financing Agreement, the program sponsors are the GOK @65% and the AfDB @35%. However, the Additional Financing Agreement has changed the ratio to 10.6% and 89.4%, respectively.

**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I**

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**2.3: Program Overview**

Line Ministry/State Department of the project	The Program has been under the supervision of the Ministry of Water, Sanitation and Irrigation – State Department for Water and Sanitation.
Project Number	Grant No. 2100155025973, Loan No. 2100150029993, Loan No.2000200003351, and AGTF Loan No. 5050200000501
Strategic goals of the project	The strategic goals of the Program are as follows: (i) Regulate the flow of Athi and Thwake rivers downstream for flood mitigation. (ii) Improvement in the productivity and livelihoods of the targeted people.
Achievement of strategic goals	The Program management aims to achieve the goals through the following means: (i) Construction of the 80.5m high dam with 688million cubic meters’ water storage capacity. (ii) Provision of water for about 1.3 million rural and urban people in the water basin. (iii) Generation of hydropower (20MW) to support Kenya’s Least Cost Rural Electrification Programme. (iv) Irrigation of 100,000 acres of land in parts of Makueni and Kitui South.
Other important background information of the Program.	The Program shall achieve these goals in 4 phases namely: i. Phase I – Thwake Dam Construction, appraised to cost UA 179,290,000 (Equiv. Kshs 22.87billion). An Additional Financing Agreement of EURO 235,762,579 places the total cost to approximately Kshs 42.365 billion. ii. Phase II – Water Supply, Sanitation & Waste Water Infrastructure, appraised to cost UA 83,330,000 (Equiv. Kshs10.63 billion); iii. Phase III – Hydropower Generation, appraised to cost UA 34,060,000 (Equiv. Kshs 4.35 billion); and iv. Phase IV – Irrigation Development, appraised to cost UA 190,320,000 (Equiv. Kshs 24.3 billion). The Program management is currently involved in the implementation of Phase I. Designs for Phases 2 and 3 have been prepared and requests for funding submitted to National Treasury.

**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I**

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Current situation that the project was formed to intervene	The Program was formed to intervene in the following areas: (i) Flood/ drought mitigation. (ii) Poverty eradication.
Project duration	The Program started on 1 <sup>st</sup> September 2014 and was scheduled to run until 30 <sup>th</sup> June 2023. An extension of time has been given to June 30, 2025.

**2.4: Bankers**

The following are the bankers for the current year:

- (i) Central Bank of Kenya, Nairobi.
- (ii) Standard Chartered Bank, London.
- (iii) Equity Bank Ltd, Kitui.

**2.5: Auditors**

The independent auditor of the Program is:

Auditor General

Office of the Auditor General

Anniversary Towers

P.O Box 30084 – 00100

Nairobi.



**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

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**2.6: Roles and Responsibilities**

The people who were actively involved in the management of the Program, besides the Principal Secretary – State Department for Water and Sanitation and the Water Secretary, are as provided below:

<b>Names</b>	<b>Title</b>	<b>Qualifications</b>	<b>Responsibilities</b>
Eng. David Onyango	Program Coordinator	B.Sc – Civil Engineering, M.Sc –Construction Mgt, MBA – General Mngement. Member – Institute of Engineers of Kenya, Member – Institute of Directors.	Overall coordination of the Program activities to ensure deliverables are met on set time within the available resources.
Peter Mbevo Musuva	Senior Monitoring & Evaluation Specialist	B.A (Hons), M.Sc. – Integrated Watershed Mgt.	Monitoring of the physical progress and advising when the actual progress deviates from the planned.
CPA Tom Bodo Okello	Finance Management Expert	B.Com, MBA, CPA (K), ACCA.	Management of the finance functions of the Program.
Justus Jumbe Omina	Senior Procurement Expert	BSC Purchasing & Supplies, CIPS.  M.Sc. – Procurement & Logistics.	Procurement of goods, works and services, and management of the assets.
Rodah Kambua Mwendandu	Gender & Social Development Expert	B.A Gender & Dev., Diploma in International Relations. M.Sc. – Project Management	Ensuring implementation of RAP and the socio – economic aspects of the Program.
Augustine Kithinzi Makau	Environmental, Health & Safety Specialist	B.Sc (Environment) Diploma – Environmental Mgt.	Ensuring rules and regulations on environmental and safety matters are implemented and operational.
Eng. Shadrack Yego	Program Engineer	B.Sc (Civil Engineering), PE – EBK, MIEK.	In charge of the technical quality of the civil works activities.
Godffrey Olali	Communication Specialist	B.A – Communication and Political Science. M.A (Arts) – Communication.	In charge of communication and public relations for the Program.

**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

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**2.7: Funding Summary**

The Program is for duration of eleven years from 2014 to 2025. The Original Financing Agreement for AfDB funding currently in operation has an approved budget of UA 62,890,000 equivalent to about Ksh 8.023 billion. The Additional Financing Agreement approved a budget of EURO 235,762,579 equivalent to about Kshs 27.6 billion. GOK counterpart funding is approximately Ksh 6.8 billion. The fundings are as highlighted in the table below:

**Table 1: Summary of Funding by Financiers**

**A. Sources of Funds**

Source of funds	Donor Commitment-		Amount received to date – (30 June, 2023)		Undrawn balance to date (30 June, 2023)	
	Donor currency	Kshs	Donor currency (UA)	Kshs	Donor currency (UA)	Kshs
	UA (A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>A/ INITIAL FINANCING ARRANGEMENT</b>						
<b>i. Grant</b>						
African Development Bank	1,210,000	154,370,000	1,124,905	159,682,276	85,095	-5,312,276
<b>ii. Loan</b>						
African Development Bank	61,680,000	7,869,200,000	55,191,728	7,840,622,086	6,488,272	28,577,914
<b>Total</b>	<b>62,890,000</b>	<b>8,023,570,000</b>	<b>56,316,633</b>	<b>8,000,304,362</b>	<b>6,573,367</b>	<b>23,265,638</b>
<b>B/ ADDITIONAL FINANCING ARRANGEMENT</b>						
	Donor currency EURO	Kshs	Donor currency (EURO)	Kshs	Donor currency (EURO)	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
iii. AfDB Loan	192,569,766	22,511,000,000	157,899,525	18,036,286,482	34,670,241	4,474,713,518
iv. AGTF Loan	43,192,813	5,049,000,000	37,944,998	4,121,767,312	5,247,815	927,232,688
<b>Total</b>	<b>235,762,579</b>	<b>27,560,000,000</b>	<b>195,844,523</b>	<b>22,158,053,794</b>	<b>39,918,056</b>	<b>5,401,946,206</b>
v. GOK Counterpart		6,782,000,000	-	5,622,973,666	-	1,159,026,334
<b>Total (Initial + Additional + GOK)</b>	<b>-</b>	<b>42,365,000,000</b>	<b>-</b>	<b>35,781,331,822</b>	<b>-</b>	<b>6,584,238,178</b>
<b>C/ SUMMARY OF RECEIPT OF FUNDS (IN KES)</b>						
	AfDB	Grant	GOK			Total
AfDB Initial Financing	7,840,622,086	159,682,276	3,998,778,452			11,999,082,814
AfDB Additional Financing	22,158,053,794	-	1,624,195,214			23,782,249,008
<b>Total</b>	<b>29,998,675,880</b>	<b>159,682,276</b>	<b>5,622,973,666</b>			<b>35,781,331,822</b>

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The balance on the Grant funding reflects an overdrawn balance of Ksh 5,312,276 due to fluctuations of the Kenyan currency against the UA currency. Whereas the Budget was set in 2014 at the rate of UA 1 = Ksh 127.5807, the actual disbursement is paid based on the exchange rate ruling in the market at the time of disbursement with the value of the Kenyan currency weakening against the UA over the period.

**B. Application of Funds**

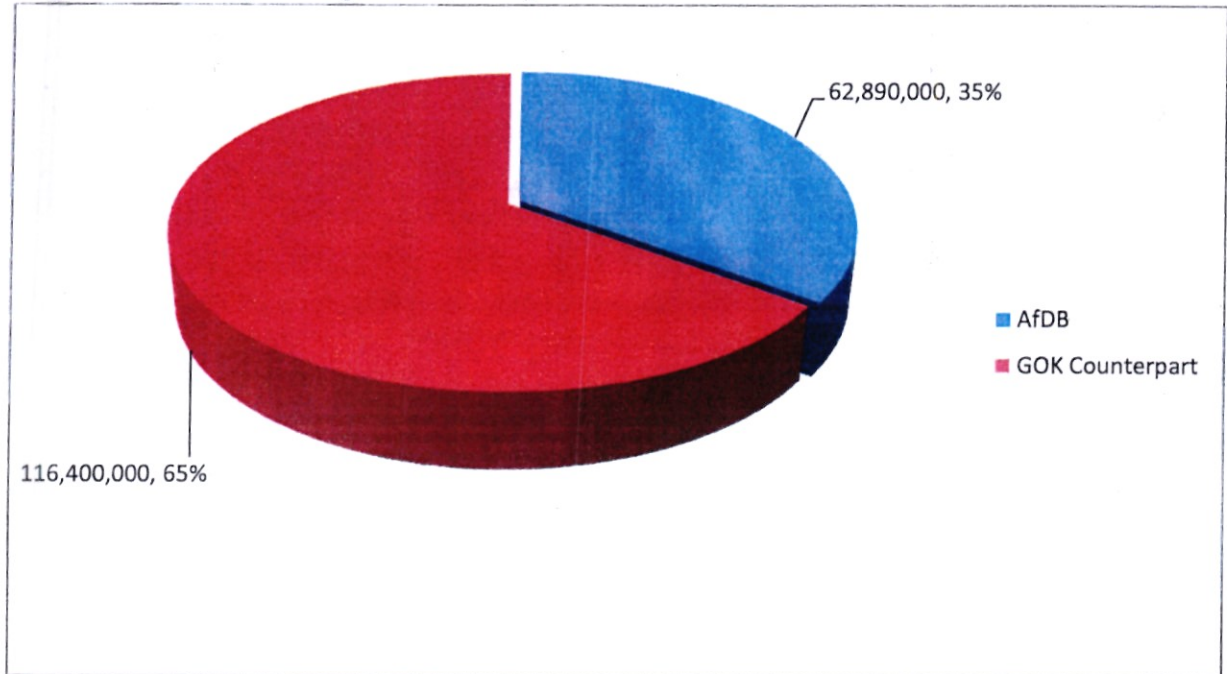
Application of Funds		Amount received to date – (30 June, 2023)		Cumulative amount paid to date – (30 June, 2023)		Unutilised balance to date (30 June, 2023)	
		Donor currency UA (A)	Kshs (A')	Donor currency (UA) (B)	Kshs (B')	Donor currency (UA) (A)-(B)	Kshs (A')-(B')
<b>A/ ORIGINAL FINANCING ARRANGEMENT</b>							
i.	Grant						
	African Bank Development	1,124,905	159,682,276	1,124,905	159,682,276	-	-
ii.	Loan						
	African Bank Development	55,191,728	7,840,622,086	55,128,869	7,840,001,594	62,860	620,492
	<b>Total from African Development Bank</b>	<b>56,316,633</b>	<b>8,000,304,362</b>	<b>56,253,774</b>	<b>7,999,683,870</b>	<b>62,860</b>	<b>620,492</b>
<b>B/ ADDITIONAL FINANCING ARRANGEMENT</b>							
		Donor currency EURO (A)	Kshs (A')	Donor currency (EURO) (B)	Kshs (B')	Donor currency (EURO) (A)-(B)	Kshs (A')-(B')
iii.	AfDB Loan	157,899,525	18,036,286,482	157,899,525	18,036,286,482	-	-
iv.	AGTF Loan	37,944,998	4,121,767,312	37,944,998	4,121,767,312	-	-
	<b>Total</b>	<b>195,844,523</b>	<b>22,158,053,794</b>	<b>195,844,523</b>	<b>22,158,053,794</b>	<b>-</b>	<b>-</b>
v.	GOK Countertop	-	5,622,973,666	-	5,622,973,666	-	-
	<b>Total (Initial + Additional + GOK)</b>	<b>-</b>	<b>35,781,331,822</b>	<b>-</b>	<b>35,780,711,330</b>	<b>-</b>	<b>620,492</b>
<b>C/ SUMMARY OF APPLICATION OF FUNDS (IN KES)</b>							
		AfDB	Grant	GOK		Total	
	AfDB Original Financing	7,840,001,594	159,682,276	3,998,778,432	-	11,998,462,322	
	AfDB Additional Financing	22,158,053,794	-	1,624,195,214	-	23,782,249,008	
	<b>Total</b>	<b>29,998,055,388</b>	<b>159,682,276</b>	<b>5,622,973,666</b>	<b>-</b>	<b>35,780,711,330</b>	

**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

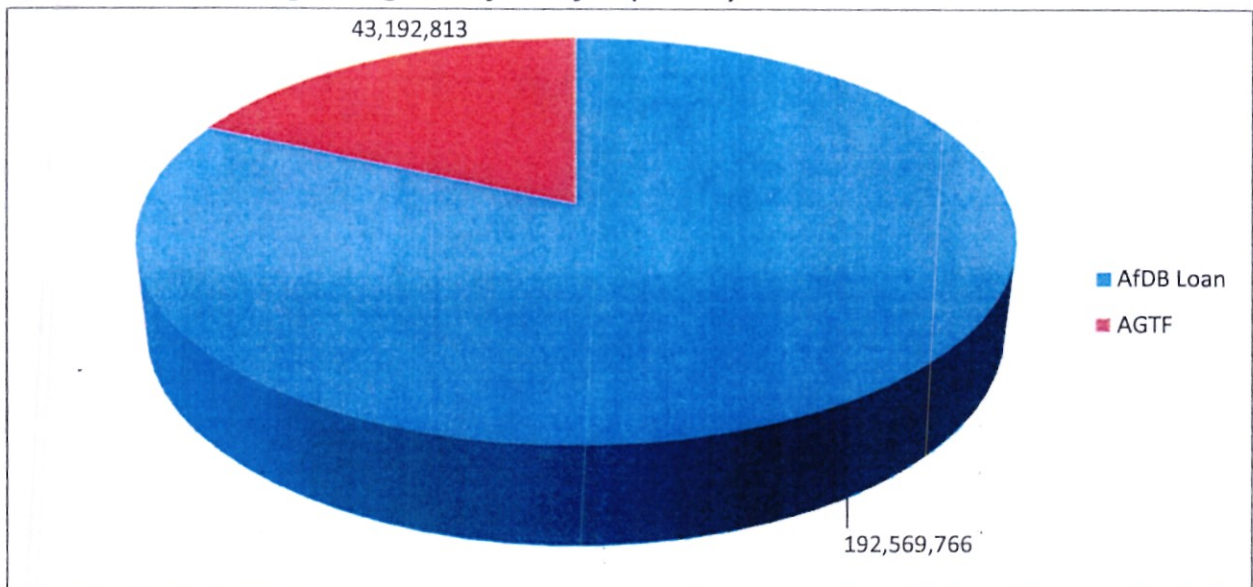
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The unutilised balance of UA 62,860 is the replenishment released by the Bank and in transit to the Program. The balance of Ksh 620,492 is the amount unspent and held in the Program Bank Account.

**Figure 1: Program Appraisal Budget by Financiers**  
**A/ Original Financing Arrangement (in UA)**



**B/Additional Financing Arrangement from AfDB (in Euro)**



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**2.8: Summary of Overall Project Performance:**

The Program incurred an expenditure of Ksh 5,688,965,351 against the financial year's budget of Ksh 6,705,500,000. The actual expenditure is 85% of the annual budget. The cumulative expenditure to date is Ksh 35,780,711,331. The actual expenditure incurred of Ksh 5,291,940,031 in the period under review for civil works on the dam construction is 92% of the total expenditure. In general, the expenditure and absorption rates are almost the same as most of the activities incurred are financed through direct payment method.

**Physical Progress**

The Program involves dam construction which commenced in March 2018 after acquisition of land. The compensation of the PAPs for the acquisition of 9,158 acres of land is complete except for 3 PAPs out of which 1 is undergoing succession process, 1 has a dispute awaiting court ruling and the other has concluded the succession awaiting payment from NLC. Additional 59 acres affecting 9 parcels has been acquired and funds remitted to NLC. Out of these parcels, 8 have been fully compensated and 1 needed re-gazettement which was done on 26<sup>th</sup> August 2023. The parcel is awaiting payment.

The dam construction as at June 2023 was at 84% for the 56 months' construction timeframe and the additional 15 months' extension period. The construction is expected to be concluded by February 2024.

**Yearly Expenditure and Absorption Rates**

The absorption rate based on comparison of expenditure against yearly budgets is as provided below:

Year	Budget	Absorption	Expenditure	Rate (%)	
	Kshs	Kshs	Kshs	Absorption vs Budget	Expenditure vs Budget
2014/15	200,000,000	43,495,716	15,909,268	22	08
2015/16	1,470,900,000	899,803,580	904,484,238	61	61
2016/17	1,014,859,900	781,785,608	791,490,788	77	78
2017/18	5,061,137,200	4,926,717,779	4,939,830,867	97	98
2018/19	5,635,709,000	4,860,431,398	4,853,262,369	86	86
2019/20	5,103,000,000	4,550,837,635	4,552,473,330	89	89
2020/21	7,744,000,000	6,790,422,461	6,795,390,680	88	88
2021/22	7,843,000,000	7,241,366,902	7,238,904,439	92	92
2022/23	6,705,500,000	5,686,470,744	5,688,965,351	85	85
<b>Total</b>		<b>35,781,331,822</b>	<b>35,780,711,330</b>		

## THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

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Absorption refers to amounts disbursed by the financiers and includes actual expenditure and any unspent balances in the Program Bank Account.

#### Challenges Encountered

The table below summarises the challenges encountered and recommended way forward:

	Challenges	Recommendation/ Way Forward
1.	Lack of a commercial bank account for the Program to receive counterpart funds.	The commercial bank account held in Equity Account is strictly for receipt of funds from AfDB which does not allow for commingling of funds. The Program cannot therefore receive exchequer from GOK funds for its operations as budgeted in the AWPB, hence delayed settlement of payments. The Ministry has mitigated this problem by continually seeking for funds from the National Treasury whenever there are payments to be made.
2.	Delayed payment of VAT due to the contractor.	The VAT payable on IPCs 5 and 6 have not been fully settled due to insufficient budgetary provision experienced in the year. Partial payment of Ksh 127.5 million has been made in the current financial year, thereby reducing the balance outstanding to Ksh 306 million. The payment shall be prioritized and settled in phases using available budget.
3.	Escalation of prices of materials, equipment, goods and services beyond the Bill of Quantities (BOQ) budgeted amounts.	The BOQ rates were prepared based on the market prices of November 2016. However, prices have escalated over a period of time and is beyond the control of the implementing agency. A Technical and Financial Appraisal Report has been prepared and request for additional funding to cover the price escalation costs shall be submitted for consideration.

#### 2.9: Summary of Project Compliance

The Program has ensured that all activities carried out are within the laws of the Republic of Kenya and that all regulations and procedures are followed.

Among the regulations required to be followed include the reports of the ESIA submitted to NEMA, and those of NCA.

In cases of inconsistency between the GOK Regulations and those of the AfDB, the latter have been applied.

It is therefore expected that the Program will not suffer any adverse consequences that would result from non-application of any laws or regulations.

**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

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**3. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES**

The Program's Phase 1 aims at construction of Thwake dam at the confluence of Athi and Thwake rivers. This will be a multipurpose dam to regulate the flow of the rivers downstream for flood mitigation, and improvement of the productivity and livelihoods of the people.

The key development objectives of the entire Program's plan are:

- a) Construction of 80.5m high dam with 688million cubic meters' water storage capacity;
- b) Provision of water for 1.3 million rural and urban people in the water basin and Konza Techno city;
- c) Irrigation of 40,000 hectares of land; and
- d) Generation of hydropower of 20MV to support Kenya's Least Cost Rural Electrification Program.

**Progress on attainment of Strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Relevant indicators were identified for purposes of tracking progress and performance measurement.

Below is the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Thwake Multipurpose Water Development Program, Phase 1	Construction of 80.5m high dam with 688million cubic meters water storage capacity	Increased work in progress for the dam construction	% dam construction done	In the year 2022/23 the dam construction reached 84 % work in progress.

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**4. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

Thwake Multipurpose Water Development Program – Phase 1 aims at transforming livelihoods of the rural people in the counties of Makueni and Kitui. This remains the main purpose, and the driving force behind every activity carried out. It is also what guides the delivery of its strategy, founded on the Program’s pillars of delivery of sustainable quality and durable dam, environmental stewardship, employment creation, responsible transparent market practises and effective community engagement. Below is a brief highlight of the achievements in each pillar:

**1. Sustainability strategy and profile**

This is one of the flagship projects of the Vision 2030 being implemented under the Ministry of Water, Sanitation and Irrigation – State Department for Water and Sanitation. There is goodwill from the local community and the political leadership both at the national and county level for the implementation of the project, as the community stands to gain from the provision of water for domestic use and irrigation purposes. The water to be used in the Konza Techno city is expected to be derived from the dam once the construction is complete. Both the GOK and AfDB, who are the financiers of the Program, have made a commitment through additional funds to finance the dam construction and associated activities to completion.

As the dam shall tap the water flows from the two rivers Athi and Thwake which are the main sources of water in the region, the project will have adequate water and therefore it is sustainable. The dam type being constructed is CFRD which is expected to last more than 50 years before major maintenance work can be undertaken.

The quality and durability of the dam under construction is of utmost importance to the implementing agency. To mitigate against any risk of breakage, the Program in the evaluation process identified a construction firm called China Gezhouba Group Co Ltd which has wide experience in dam construction. It has also engaged a team of eminent dam safety panel of experts of international repute composed of a civil engineer, geologist and a hydrologist. This team periodically visit the site and makes recommendations/ approvals on all major activities before implementation.

**2. Environmental performance**

The project has carried out an ESIA and has received approval of the regulating bodies like NEMA. Regular environmental audits are carried out to ensure the construction meets the safety and environmental standards.

**3. Employment Welfare**

The Program’s day to day activities are handled by the PIT composed of experts from various professional disciplines relevant to the achievement of the set objectives. Currently, the team is composed of seven males and one female.



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These individuals were recruited from the job market as consultants following the GOK and AfDB Procurement Regulations.

At the dam construction level, the contractor has created jobs for the local community for both genders, and supported manufacturing through sourcing of local materials. Transport is provided to the workers at the site.

Occupational Safety and Health policy put in place include inspection of equipment on site, provision of Personal Protective Equipment to workers at the dam site, and provision of adequate water and sanitary conveniences.

**4. Market place practices**

*a) Responsible Competition Practice*

The procurement of goods and services are subjected to the procurement rules and regulations as established by the GOK and AfDB. AfDB's "No Objection" is always requested for before the procurement process can proceed. The procurement of the contractor was done using the procurement procedure of both the Government and the AfDB. An evaluation criterion was set and the contractor that met all the requirements and submitted the lowest bid was selected. All the relevant stakeholders were consulted before the award of the contract. A legal opinion was also received from the Attorney General.

In land acquisition, proper procedures were followed including valuation by an independent valuer and involving the NLC as the Government agency to procure the land on behalf of the implementing agency. Value for money was achieved in the acquisition of land from the local community through negotiated prices acceptable to land owners. Consequently, there are no court cases inhibiting the construction of the dam. The welfare of the land owners was adequately taken into account.

*b) Responsible Supply Chain and Supplier Relations*

The Program ensures that advertisements are carried in at least two daily newspapers with wide circulation in the country. Notifications are sent to both the successful and the unsuccessful firms. The quotations/ tenders are opened on time and bidders invited to witness. Payment process is initiated immediately the invoices are received and goods/ services accepted by the Inspection and Acceptance Committee appointed by the implementing agency. All procurements during the year have been subjected to set regulations and internal controls before making payments.

*c) Responsible Marketing*

There is a consultant engaged for the supervision of works to ensure the construction is to the required standards and quality. The consultant is assisted by a team of Dam Safety Panel of Experts to ensure it meets international standards. Goods and services are provided by properly licensed and approved entities. Health and Safety of the local population is safeguarded particularly those who offer services to the project. Guided tours are arranged from time to time for various stakeholders around the dam to get a deeper understanding of the project objectives and how these

*THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1*

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

interfaces with development objectives of the area. The media are also invited to the project site from time to time for tours and briefs to inform the public of the project progress. The project maintains a web site and twitter handle for public engagement. Monthly progress meetings involving the implementing agency, contractor and supervision consultant are held to review work done.

**5. Community Engagements**

- a) There is a 30% local content in subcontracting some activities of the dam construction with preference to women, youth and the vulnerable. There is also targeted employment opportunity that is benefiting the locals.
- b) The contract has a social responsibility component and six boreholes have been done in both Makueni and Kitui counties. Other activities carried out include construction and renovations of classrooms as well as a community health centre.

*THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1*

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

**5. STATEMENT OF PROGRAM MANAGEMENT RESPONSIBILITIES**

The Principal Secretary for State Department for Water and Sanitation, and the Program Coordinator for Thwake Multipurpose Water Development Program are responsible for the preparation and presentation of the Program's financial statements, which give a true and fair view of the state of affairs of the Program for and as at the end of the financial year ended on 30 June, 2023.

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 Program; (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 Program; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for State Department for Water and Sanitation, and the Program Coordinator for Thwake Multipurpose Water Development Program accept responsibility for the Program's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for State Department for Water and Sanitation, and the Program Coordinator for Thwake Multipurpose Water Development Program are of the opinion that the Program's financial statements give a true and fair view of the state of its transactions during the financial year ended 30 June, 2023, and of its financial position as at that date. The Principal Secretary for the State Department for Water and Sanitation, and the Program Coordinator for Thwake Multipurpose Water Development Program further confirm the completeness of the accounting records maintained for the Program, which have been relied upon in the preparation of the Program's financial statements as well as the adequacy of the systems of internal financial control.


The Principal Secretary for State Department for Water and Sanitation, and the Program Coordinator for Thwake Multipurpose Water Development Program confirm that the Program has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Program funds received during the period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

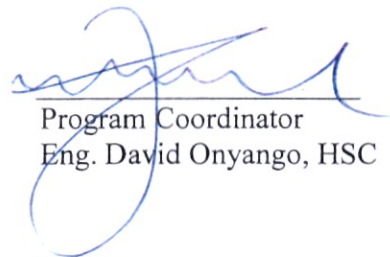
**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**


*Annual Report and Financial Statements for the Year ended 30 June, 2023*

**Approval of the Program Financial Statements**

The Program financial statements were approved by the Principal Secretary for State Department for Water and Sanitation, and the Program Coordinator for Thwake Multipurpose Water Development Program on 20/11/2023 and signed by them.

  
Principal Secretary  
Julius Korir, CBS.

  
Program Coordinator  
Eng. David Onyango, HSC

  
Head of Accounting Unit  
CPA James K. Karori  
ICPAK No: 3972

  
Finance Mgt. Expert  
CPA Tom B. Okello  
ICPAK No: 4534

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HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON THWAKE MULTI-PURPOSE DEVELOPMENT PROGRAM PHASE 1 (AFDB LOAN NO.2100150029993, 2000200003351, AGTF NO.5050200000501 AND AFDB GRANT NO.2100155025973) FOR THE YEAR ENDED 30 JUNE, 2023 - STATE DEPARTMENT FOR WATER AND SANITATION

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### PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

## REPORT ON THE FINANCIAL STATEMENTS

### Opinion

I have audited the accompanying financial statements of Thwake Multi-Purpose Water Development Program, Phase 1 set out on pages 1 to 26, which comprise of the statement of financial assets as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Thwake Multi-Purpose Water Development Program, Phase 1 as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Loan Agreement No.2100150029993, No.2000200003351 and No.5050200000501 and Grant No.2100155025973 dated 27 January, 2014 and 19 June, 2019 respectively between the Republic of Kenya and the African Development Bank and the Public Finance Management Act, 2012.

### Basis for Opinion

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

### Key Audit Matters

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

### Other Matter

#### 1. Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved some of the issues or given

any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

## **2. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects a final budget and actual receipts on a comparable basis of Kshs.6,705,500,000 and Kshs.5,686,470,744 respectively resulting to an underfunding of Kshs.1,019,029,256 or 15% of the budget. Similarly, the Program spent Kshs.5,688,965,351 against an approved budget of Kshs.6,705,500,000 resulting to under-performance of Kshs.1,016,534,649 or 15% budget utilization.

The underfunding and under-performance affected the planned activities and may have impacted negatively on service delivery to the stakeholders.

## **3. Pending Bills**

Annex 3A to the financial statements reflects pending bills amounting to Kshs.620,662,622 (2021/2022 Kshs.444,026,590). The balance has increased by Kshs.176,636,032. However, Management did not provide for audit, explanations why the amount was not settled during the year under review. This exposes the Program to the risk of incurring interest costs and penalties with the continued delay in settling the claims as required.

Further, failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Delayed Completion of Works**

The Government of Kenya entered into a contract with an international construction company for construction of Thwake Multipurpose Water Development Program at a contract sum of Kshs.36,971,346,445. The construction work commenced on 27 March, 2018 and was expected to be completed on 05 November, 2022 with 56 months (1,683 days) implementation period excluding defects liability period of one (1) year. However, the contract completion delayed and the contractor was granted an

extension to complete the works by 05 February, 2024 and the end of the defect liability period on 05 February, 2025. However, physical inspection done in the month of October, 2023 revealed that the Program had stalled and there were no activities going on.

The progress report from the Contract Implementation Team on IPC 17 indicated that the completed works stood at 86%, implying that 14% of the works are still remaining. Further, the implementation report indicated that monthly progress was at an average of 0.9%. Considering the time remaining as at 30 June, 2023 there were only eight (8) months translating to a total estimated work progress of 7.2%, and therefore the balance of 8.8% of the work may not be complete by the extended completion date of the Program on 05 February, 2024.

The total payments made to the contractor as at 30 June, 2023 amounted to Kshs.32,836,105,728.76 inclusive of advance payment amounting to Kshs.7,394,269,289 out of which Kshs.4,752,014,237 has been recovered. The remaining amount yet to be recovered is Kshs.2,642,255,052 against the remaining works of 16%. It was noted that the contractor was not making any meaningful progress in the dam's works citing issues of cash flows.

Physical inspection revealed items of work not started while others were below 50% complete as summarized in the progress report extract below:

<b>Progress Status</b>			
<b>No. As Per Bill of Quantities</b>	<b>Description</b>	<b>Percentage Progress %</b>	<b>Remarks</b>
S8	Drilling and Grouting	46%	In Progress
S10	Instrumentation	44%	Commenced Equipment Approvals in Progress
S13	Structural Steelwork	15%	In Progress
S14	Furnishing and Installing Metalwork	0%	Yet to Commence
S15	Cleaning, Corrosion Protection and Coating	0%	Yet to Commence
S16	Miscellaneous Construction	25%	In Progress
S17	Permanent Access Roads Construction	0%	Yet to Commence
S18	Building Construction	27%	In Progress
S19	Water Supply and Sewerage	0%	Yet to Commence
S22	Low Level Outlet Equipment	43%	In Progress
S23	Water Supply and Irrigation Intake Equipment	30%	In Progress
S25	Electrical Equipment	0%	Yet to Commence. Equipment Approvals in Progress



<b>Progress Status</b>			
<b>No. As Per Bill of Quantities</b>	<b>Description</b>	<b>Percentage Progress %</b>	<b>Remarks</b>
S26	Electrical Earthing	50%	In Progress
S27	Saddle Dams	0%	Yet to Commence
R1	Mechanical Spare Parts	21%	In Progress

In the circumstances, the Program may not be completed within the contract period and the advance payment may not be recovered.

## **2. Incomplete Corporate Social Responsibility Projects**

As reported in the previous year, the Program's activities included drilling and equipping of six (6) community boreholes at a cost of Kshs.4,500,000 each and rehabilitation of classrooms and health center under Corporate Social Responsibility (CSR) projects in Kitui Rural, Makueni and Mbooni Constituencies. However, physical inspection done in the month of October, 2023 revealed that although the contractor did some activities meant for the CSR, there were some defects noted as summarized below:

- i) The floors of some classrooms renovated in schools at Makueni, Mbooni and Kitui Rural constituencies had already peeled off and had big cracks.
- ii) The Kathulumbi Hospital - Maternity Wing had ceiling defects that had not been repaired.
- iii) Three (3) out of the six (6) boreholes done were dry and the contractor had not drilled others to substitute the dry ones.

No measures have been put in place by the Program Management to ensure the contractor adhere to the works specifications and that CSR projects are completed before the expiry of the contract period.

In the circumstances, the community may not benefit from the CSR activities especially boreholes as water is a priority for household and livestock use.

## **3. Unremitted Value Added Tax (VAT) to Kenya Revenue Authority**

During the year under review, the contractor issued Interim Payments Certificates No.05 and 06 that included Value Added Tax (VAT) of Kshs.102,500,000 and Kshs.203,979,306 respectively, all totalling to Kshs.306,479,306. However, this tax had not been remitted to Kenya Revenue Authority (KRA) by 30 June, 2023.

Failure to remit the Value Added Tax (VAT) on due date will attract penalties, which will result in avoidable and ineligible cost to the Project.

#### **4. Interest on Delayed Payment to Contractor**

Annex 3A to the financial statements reflects cumulative interest charged on delayed payments amounting to Kshs.236,011,102. However, the interest charged would have been avoided resulting in wastage of public funds. The Program Management Unit has not explained why the terms and conditions of the signed contract, could not be adhered to by making timely payments when the interim certificates are raised.

In the circumstances, value for money on the cumulative interest charged due to failure by the Program Management Unit to adhere to the terms and conditions of the contract could not be confirmed.

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

#### **REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

##### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

##### **Basis for Conclusion**

###### **Lack of Internal Audit Reports on the Program**

As previously reported, the Internal Audit Unit did not carry out an audit of internal controls, risk management, financial reports, and the implementation of the Project.

As a result, the effectiveness of the internal controls and risk management put in place by Management, could not be confirmed.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Conclusion

As required by loan agreements signed between the Government of Republic of Kenya and African Development Bank Loan No.2100150029993, No.2000200003351, AGTF No.5050200000501 and AfDB Grant No.2100155025973, I report based on my audit that I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit. In my opinion:

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

### Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Program's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Program to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Program to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**05 December, 2023**

7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE, 2023

	Notes	FY 2022/23			FY 2021/22			Cumulative to Date
		Receipts and payments controlled by the entity	Receipts and payments made by third parties	Total	Receipts and payments controlled by the entity	Receipts and payments made by third parties	Total	
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>RECEIPTS:</b>								
Transfer from Government entities	1	181,134,569	-	181,134,569	428,723,628	-	428,723,628	5,622,973,666
Proceeds from Domestic and Foreign Grants	2	-	-	-	-	-	-	159,682,276
Loan from External Development Partners	3	36,889,697	5,468,446,478	5,505,336,175	53,944,125	6,758,699,149	6,812,643,274	29,998,675,881
<b>Total Receipts</b>		<b>218,024,266</b>	<b>5,468,446,478</b>	<b>5,686,470,744</b>	<b>482,667,753</b>	<b>6,758,699,149</b>	<b>7,241,366,902</b>	<b>35,781,331,823</b>
<b>PAYMENTS:</b>								
Compensation of Employees	4	38,677,667	-	38,677,667	51,334,200	-	51,334,200	269,584,925
Purchase of Goods & Services	5	54,341,206	176,506,447	230,847,653	149,442,141	282,991,175	432,433,316	1,367,875,170
Acquisition of Non-Financial Assets	6	127,500,000	5,291,940,031	5,419,440,031	279,428,949	6,475,707,974	6,755,136,923	34,143,251,236
<b>Total Payments</b>		<b>220,518,873</b>	<b>5,468,446,478</b>	<b>5,688,965,351</b>	<b>480,205,290</b>	<b>6,758,699,149</b>	<b>7,238,904,439</b>	<b>35,780,711,331</b>
<b>SURPLUS/ DEFICIT FOR THE PERIOD</b>		<b>(2,494,607)</b>	<b>-</b>	<b>(2,494,607)</b>	<b>2,462,463</b>	<b>-</b>	<b>2,462,463</b>	<b>620,492</b>

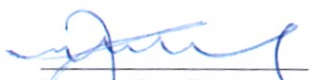
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.

The financial statements were approved on 20/11/2023 and signed by:



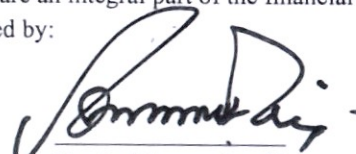
Principal Secretary  
Julius Korir, CBS.

Date: 20.10.2023



Program Coordinator  
Eng. David Onyango, HSC

Date: 14/11/2023



Head of Accounting Unit  
CPA James K. Karori  
ICPAK No: 3972

Date: 14/11/2023



Finance Mgt. Expert  
CPA Tom B. Okello  
ICPAK No: 4534

Date: 14/11/2023

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1


Annual Report and Financial Statements for the Year ended 30 June, 2023


8. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE, 2023 - BY CATEGORIES

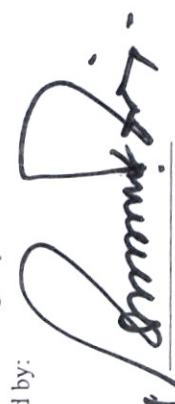
	Notes	FY 2022/23			FY 2021/22			Cumulative to Date
		Receipts and payments made by the entity	Receipts and payments made by third parties	Total	Receipts and payments controlled by the entity	Receipts and payments made by third parties	Total	
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>RECEIPTS:</b>								
Transfer from Government entities	1	181,134,569	-	181,134,569	428,723,628	-	428,723,628	5,623,724,725
Proceeds from Domestic and Foreign Grants	2	-	-	-	-	-	-	159,682,276
Loan from External Development Partners	3	36,889,697	5,468,446,478	5,505,336,175	53,944,125	6,758,699,149	6,812,643,274	29,998,675,881
<b>Total Receipts</b>		<b>218,024,266</b>	<b>5,468,446,478</b>	<b>5,686,470,744</b>	<b>482,667,753</b>	<b>6,758,699,149</b>	<b>7,241,366,902</b>	<b>35,781,331,823</b>
<b>PAYMENTS:</b>								
Goods		-	5,925,000	5,925,000	-	1,056,767	1,056,767	23,334,552
Works		-	5,291,940,031	5,291,940,031	-	6,475,707,974	6,475,707,974	29,123,896,187
Consulting Services		38,677,667	170,581,447	209,259,114	51,334,200	281,934,408	333,268,608	994,533,220
Operational Costs		706,637	-	706,637	147,462	-	147,462	15,973,706
GOK Counterpart Payments		181,134,569	-	181,134,569	428,723,628	-	428,723,628	5,622,973,666
<b>Total Payments</b>		<b>220,518,873</b>	<b>5,468,446,478</b>	<b>5,688,965,351</b>	<b>480,205,290</b>	<b>6,758,699,149</b>	<b>7,238,904,439</b>	<b>35,780,711,331</b>
<b>SURPLUS/ DEFICIT FOR THE PERIOD</b>		<b>(2,494,607)</b>	<b>-</b>	<b>(2,494,607)</b>	<b>2,462,463</b>	<b>-</b>	<b>2,462,463</b>	<b>620,492</b>


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

The financial statements were approved on 20/11/2023 and signed by:

  
 Principal Secretary  
 Julius Korir, CBS.  
 Date: 20.11.2023

  
 Program Coordinator  
 Eng. David Onyango, HSC  
 Date: 14/11/2023

  
 Head of Accounting Unit  
 CPA James K. Karori  
 ICPAK No: 3972  
 Date: 14/11/2023

  
 Finance Mgt. Expert  
 CPA Tom B. Okello  
 ICPAK No: 4534  
 Date: 14/11/2023

9. STATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE, 2023

	Notes	FY 2022/23 Kshs	FY 2021/22 Kshs
<b>FINANCIAL ASSETS:</b>			
Cash & Cash Equivalents:			
Bank Balances	7A	620,492	3,115,099
<b>Total Financial Assets</b>		<b>620,492</b>	<b>3,115,099</b>
<b>REPRESENTED BY:</b>			
Fund Balance b/fwd	7B	3,115,099	652,636
Surplus/ (Deficit) for the year		(2,494,607)	2,462,463
<b>Net Financial Position</b>		<b>620,492</b>	<b>3,115,099</b>

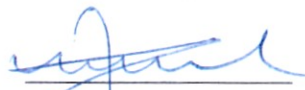
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.

The financial statements were approved on 20/11/2023 and signed by:



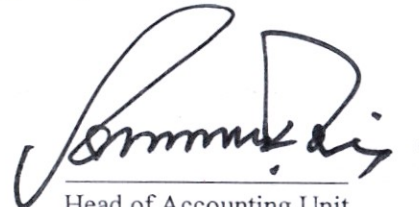
Principal Secretary  
Julius Korir, CBS.

Date: 20.11.2023



Program Coordinator  
Eng. David Onyango, HSC

Date: 14/11/2023



Head of Accounting Unit  
CPA James K. Karori  
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Date: 14/11/2023



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Date: 14/11/2023



**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

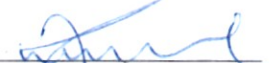
**10. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE, 2023**

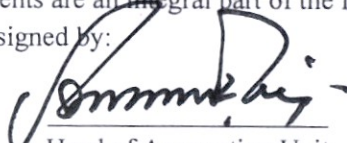
	Notes	FY 2022/23	FY 2021/22
		Kshs	Kshs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts for Operating activities:			
Transfers from Government entities	1	181,134,569	428,723,628
Proceeds from Domestic and Foreign Grants	2	-	-
		<b>181,134,569</b>	<b>428,723,628</b>
Payments for Operating Expenses:			
Compensation of Employees	4	(38,677,667)	(51,334,200)
Purchase of Goods and Services	5	(230,847,653)	(432,433,316)
		<b>(269,525,320)</b>	<b>(483,767,516)</b>
<b>Adjusted for:</b>			
Net cash flows from operating activities		(88,390,751)	(55,043,888)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Non-Financial Assets	6	(5,419,440,031)	(6,755,136,923)
<b>Net cash flows from Investing Activities</b>		<b>(5,419,440,031)</b>	<b>(6,755,136,923)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loan from external development partners	3	5,505,336,175	6,812,643,274
<b>Net cash flow from financing activities</b>		<b>5,505,336,175</b>	<b>6,812,643,274</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>		<b>(2,494,607)</b>	<b>2,462,463</b>
Cash and cash equivalent at BEGINNING of the period		3,115,099	652,636
<b>Cash and cash equivalent at END of the period</b>		<b>620,492</b>	<b>3,115,099</b>


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

The financial statements were approved on 20/11/2023 and signed by:

  
Principal Secretary  
Julius Korir, CBS.

  
Program Coordinator  
Eng. David Onyango, HSC

  
Head of Accounting Unit  
CPA James K. Karori  
ICPAK No: 3972  
Date: 14/11/2023

  
Finance Mgt. Expert  
CPA Tom B. Okello  
ICPAK No: 4534  
Date: 14/11/2023

Date: 20.11.2023

Date: 14/11/2023

Annual Report and Financial Statements for the Year ended 30 June, 2023

**11. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE, 2023**

Receipts/ Payment Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a + b	d	e= c - d	f = d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>RECEIPTS:</b>						
Transfer from Government Entities	250,000,000	(70,000,000)	180,000,000	181,134,569	(1,134,569)	101
Proceeds from external borrowing	8,572,000,000	(2,046,500,000)	6,525,500,000	5,505,336,175	1,020,163,825	84
<b>Total Receipts</b>	<b>8,822,000,000</b>	<b>(2,116,500,000)</b>	<b>6,705,500,000</b>	<b>5,686,470,744</b>	<b>1,019,029,256</b>	<b>85</b>
<b>PAYMENTS:</b>						
Compensation of Employees	44,000,000	2,000,000	46,000,000	38,677,667	7,322,333	84
Purchase of goods & services	297,000,000	(2,000,000)	295,000,000	230,847,653	64,152,347	78
Acquisition of Non-Financial Assets	8,481,000,000	(2,116,500,000)	6,364,500,000	5,419,440,031	945,059,969	85
<b>Total Payments</b>	<b>8,822,000,000</b>	<b>(2,116,500,000)</b>	<b>6,705,500,000</b>	<b>5,688,965,351</b>	<b>1,016,534,649</b>	<b>85</b>
<b>SURPLUS/ (DEFICIT)</b>	-	-	-	<b>(2,494,607)</b>	<b>2,494,607</b>	

The significant budget utilisation/ performance differences in the last column are explained in Annex 1 to these financial statements.



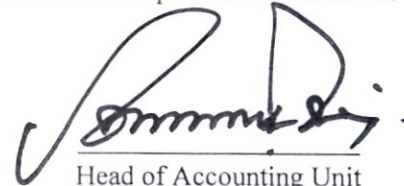
Principal Secretary  
Julius Korir, CBS.

Date: 20/11/2023



Program Coordinator  
Eng. David Onyango, HSC

Date: 14/11/2023



Head of Accounting Unit  
CPA James K. Karori

ICPAK No: 3972  
Date: 14/11/2023



Finance Mgt. Expert  
CPA Tom B. Okello

ICPAK No: 4534  
Date: 14/11/2023

**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

**Annual Report and Financial Statements for the Year ended 30 June, 2023**

**12. SIGNIFICANT ACCOUNTING POLICIES**

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

**1: Statement of Compliance and Basis of Preparation**

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policies noted below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The Program however did not have any imprests, salary advances or deposits and retentions at the end of the period under review.

The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board (PSASB) of Kenya.

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

**2: Reporting Entity**

The financial statements are for the Thwake Multipurpose Water Development Program Phase 1 under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation - PFM Act 2012.

**3: Reporting currency**

The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Program and all values are rounded to the nearest one shilling.

**4: Significant Accounting Policies**

**a) Recognition of Receipts**

The Program recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Government. Direct payments are analysed in the financial statements as Receipts and Payments made by third parties, in the case of the Program such receipts and payments are made by the African Development Bank which is the multilateral financier.

**• Transfers from the Exchequer**

Transfer from Exchequer has been recognized in the books of accounts when cash was received by the Program. Cash is considered as received when payment is actually credited to the Program Bank Account.

The Program received an Exchequer of Ksh 36,889,697 from the Loan Revenue.

*THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1*

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

- **External Assistance**

External assistance is received through grants and loans from the AfDB.

Loan was received as both Revenue and Appropriations in Aid (AIA) in the year under review, being Ksh 36,889,697 as revenue and Ksh 5,468,446,478 as AIA.

No grant was received as AIA in the financial year under review.

- **Undrawn external assistance**

These are loans and grants at reporting date as specified in the Financing Agreements and relate to funding for the TMWDP Phase 1 currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely. The Program is anticipated to continue to the completion date. An analysis of the Project's undrawn external assistance is shown in the funding summary.

**b) Recognition of Payments**

The Program recognises all payments when the event occurs and the related cash has actually been paid out by the Program. AIA payments are recognised when the event occurs and payment requests are transacted in the implementing entity's ledger.

- **Compensation of Employees**

Salaries for the Program employees are recognized in the period when the compensation is actually paid. Part payment for June 2023 was outstanding at the end of the financial year under review.

- **Use of Goods and Services**

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

- **Acquisition of Fixed Assets**

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

The major fixed assets acquired in the year is the dam construction that is on-going and payments made based on value of work done and certified.

A fixed asset register is maintained by the Program and a summary is available for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

*THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1*

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

**c) 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 Program bank account in a commercial bank at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year. There were no imprests held at hand at the close of the financial year.

**d) Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. The Program did not have any Accounts Receivable during the year under review.

**e) Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Program at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made. The pending bills as analyzed in Annex 2 relate to payments to be made from both GOK Counterpart funds and AfDB Loan.

**f) Budget**

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis and for the same period as the financial statements. The Program's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under MDAs but receive budgeted funds and account for them separately. These transfers are recognized as inter – entity transfers and are eliminated upon consolidation. The Program receives only the donor component of funding through the implementing agency, as the counterpart funds is paid directly to payees through the implementing agency's bank account.

*THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1*

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

An assessment of the Program's actual performance against the comparable budget for the financial year under review has been included in Annex 1 to the financial statements.

**g) Third Party Payments**

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

During the year Kshs 5,468,446,478 being loan disbursements were received in form of direct payments from AfDB.

**h) Comparative Figures**

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

There were no changes in the financial statement presentation to necessitate any amendments.

**i) 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 30 June, 2023. The Program is therefore expected to continue with its set operational activities.

13: NOTES TO THE FINANCIAL STATEMENTS

**1: Transfers from the Government of Kenya**

During the year under review, a total of Ksh 181,134,569 (One hundred eighty one million one hundred thirty four thousand five hundred sixty nine only) was paid by the implementing agency on behalf of the Program. Major expenditure relates to taxes paid to Kenya Revenue Authority (KRA) in respect of the dam construction and consultancies.

It is noted that the Program does not receive the GOK Counterpart funds into its Bank accounts as the AfDB does not allow for the commingling of its funds with any funds from other sources.

Therefore, the amount of GOK funds used specifically for the Program activities is treated as the receipts from the Government of Kenya.

	2022/23		2021/22		Cumulative to date from Inception	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Counterpart funding through the implementing agency						
Quarter 1	2,395,715		247,756,392		2,193,515,608	
Quarter 2	62,579,800		1,542,250		653,257,831	
Quarter 3	1,655,701		-		1,580,075,652	
Quarter 4	114,503,353		179,424,986		1,196,124,575	
<b>Total</b>	<b>181,134,569</b>		<b>428,723,628</b>		<b>5,622,973,666</b>	

## 2: Proceeds from Domestic and Foreign Grants

No grant was received from AfDB in the period under review, unlike the previous financial year as detailed below:

The cumulative payments made up to financial year 2020/21 is Ksh 159,682,276. No payments have been made under Grants since this period.

## 3: Loan from External Development Partners

During the year under review, the Program received Loan Revenue from the Special Account of Ksh 36,889,697 as exchequer. Direct payments received and paid as Loan AIA under Initial Financing and Additional Financing was Ksh 5,468,446,478. The total amounts received as Loan was therefore Ksh 5,505,336,175 as detailed below:

Name of Financier	Date Received	Amount in donor currency		Loans received in cash	Loan received as direct payments	Total Amount	
		UA	EURO			FY 2022/23	FY 2021/22
				Kshs	Kshs	Kshs	Kshs
AfDB – Loan Revenue	Various	219,812.23	-	36,889,697	-	36,889,697	53,944,125
AfDB – Loan AIA	Various	113,227.51	49,003,067.84	-	5,468,446,478	5,468,446,478	6,758,699,149
<b>Total</b>		<b>333,039.74</b>	<b>49,003,067.84</b>	<b>36,889,697</b>	<b>5,468,446,478</b>	<b>5,505,336,175</b>	<b>6,812,643,274</b>



**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I**

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

**Schedule of Payees made on Loans from External Development Partners:**

Name of Payee	Date Received	Ref. No	Initial Financing Agreement		Additional Financing Agreement		Total Amount
			UA	Kshs	EURO	Kshs	
<b>i. Loan Revenue</b>							
Replenishment	30/11/2022	WA 0063	82,730.00	13,100,206	-	-	13,100,206
	31/03/2023	WA 0070	137,082.23	23,789,491	-	-	23,789,491
<b>Total – Loan Revenue</b>			<b>219,812.23</b>	<b>36,889,697</b>			<b>36,889,697</b>
<b>ii. Loan AIA</b>							
<b>a/ Initial Financing Agreement:</b>							
Robin Peterson	16/03/2023	WA 0064	8,274.05	1,322,305	-	-	1,322,305
Batch Associates	17/03/2023	WA 0065	27,609.87	5,145,114	-	-	5,145,114
Eco – Ethics and Development Ltd	08/11/2022	WA 0066	13,518.89	2,155,151	-	-	2,155,151
Ljiljana Spasic - Gril	16/03/2023	WA 0067	7,647.91	1,228,461	-	-	1,228,461
Ioannis Karavokyris	16/03/2023	WA 0068	6,652.55	1,068,579	-	-	1,068,579
Bokoh Ltd	08/02/2023	WA 0069	33,574.80	5,925,000	-	-	5,925,000
Eco – Ethics and Development Ltd	14/04/2023	WA 0071	9,545.50	1,724,121	-	-	1,724,121
Robin Peterson	30/06/2023	WA 0072	6,403.94	1,065,370	-	-	1,065,370
<b>Sub Total</b>			<b>113,227.51</b>	<b>19,634,101</b>			<b>19,634,101</b>
<b>b/ Additional Financing Agreement:</b>							
<b>AGTF</b>							
CGGC Ltd	07/09/2022	WA 0017	-	-	1,987,199.49	215,253,449	215,253,449
CGGC Ltd	01/12/2022	WA 0018	-	-	1,919,644.13	207,935,852	207,935,852
CGGC Ltd	24/01/2023	WA 0019	-	-	1,952,441.31	211,488,443	211,488,443
CGGC Ltd	17/04/2023	WA 0020	-	-	739,577.57	80,111,042	80,111,042
CGGC Ltd	30/06/2023	WA 0021	-	-	1,488,897.18	161,277,343	161,277,343
CGGC Ltd	30/06/2023	WA 0022	-	-	1,194,631.43	129,402,477	129,402,477
<b>Sub- Total - AGTF</b>					<b>9,282,391.11</b>	<b>1,005,468,606</b>	<b>1,005,468,606</b>
<b>AFDB Loan</b>							
CGGC Ltd	07/09/2022	WA 0047	-	-	7,971,725.31	804,368,151	804,368,151

**THWA MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

**Annual Report and Financial Statements for the Year ended 30 June, 2023**

CGGC Ltd	07/09/2022	WA 0048	-	-	940,725.81	113,291,289	113,291,289
SMEC International PTY	01/12/2022	WA 0049	-	-	95,111.86	12,201,769	12,201,769
SMEC International PTY	30/06/2023	WA 0042	-	-	157,827.48	20,370,204	20,370,204
SMEC International PTY	08/11/2022	WA 0050	-	-	229,472.82	29,158,006	29,158,006
CGGC Ltd	01/12/2022	WA 0051	-	-	7,019,606.92	777,023,449	777,023,449
CGGC Ltd	01/12/2022	WA 0052	-	-	781,713.73	109,439,922	109,439,922
SMEC International PTY	13/01/2023	WA 0053	-	-	96,697.42	12,718,197	12,718,197
SMEC International PTY	13/01/2023	WA 0054	-	-	90,473.78	11,899,628	11,899,628
CGGC Ltd	24/01/2023	WA 0055	-	-	7,318,885.92	790,298,918	790,298,918
CGGC Ltd	24/01/2023	WA 0056	-	-	786,919.10	111,309,707	111,309,707
SMEC International PTY	30/06/2023	WA 0057	-	-	65,948.54	9,007,304	9,007,304
SMEC International PTY	30/06/2023	WA 0058	-	-	350,025.40	47,806,754	47,806,754
SMEC International PTY	30/06/2023	WA 0059	-	-	100,383.67	13,710,484	13,710,484
CGGC Ltd	30/06/2023	WA 0060	-	-	2,681,458.10	299,362,315	299,362,315
CGGC Ltd	30/06/2023	WA 0061	-	-	273,346.55	42,163,706	42,163,706
CGGC Ltd	30/06/2023	WA 0062	-	-	5,431,639.25	602,667,965	602,667,965
CGGC Ltd	30/06/2023	WA 0063	-	-	553,054.55	84,882,812	84,882,812
CGGC Ltd	30/06/2023	WA 0068	-	-	4,343,813.67	483,556,624	483,556,624
CGGC Ltd	30/06/2023	WA 0069	-	-	431,846.85	68,106,567	68,106,567
<b>Sub Total – AfDB Loan</b>			<b>333,039.74</b>	<b>-</b>	<b>39,720,676.73</b>	<b>4,443,343,771</b>	<b>4,443,343,771</b>
<b>Sub Total – Additional Financing</b>			<b>-</b>	<b>-</b>	<b>49,003,067.84</b>	<b>5,448,812,377</b>	<b>5,448,812,377</b>
<b>Total Loan (Revenue + AIA)</b>			<b>333,039.74</b>	<b>36,889,697</b>	<b>-</b>	<b>5,468,446,478</b>	<b>5,505,336,175</b>

*THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1*

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

**4: Compensation of Employees**

	2022/23			2021/22			Cumulative to Date
	Payments made by the entity in cash	Payments made by third parties	Total Payments	Payments made by the entity in cash	Payments made by third parties	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Other personnel payments	38,677,667	-	38,677,667	51,334,200	-	51,334,200	269,584,925
<b>Total</b>	<b>38,677,667</b>	<b>-</b>	<b>38,677,667</b>	<b>51,334,200</b>	<b>-</b>	<b>51,334,200</b>	<b>269,584,925</b>

**THWANE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

**5: Purchase of Goods and Services**

	FY 2022/23			FY 2021/22			Cumulative to Date
	Payments made by the entity in cash	Payments made by third parties	Total Payments	Payments made by the entity in cash	Payments made by third parties	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, Supplies & Services	-	5,925,000	5,925,000	45,723,483	1,056,767	46,780,250	168,053,552
Domestic Travels & Subsistence	1,745,400	-	1,745,400	5,509,500	-	5,509,500	28,658,470
Foreign Travels & Subsistence	-	-	-	-	-	-	3,171,370
Printing, Advert & Information Supplies	50,720	-	50,720	-	-	-	3,802,406
Other Operating Expenses	9,120	-	9,120	13,380	-	13,380	4,684,508
Routine Maintenance – Motor Vehicle	705,884	-	705,884	1,751,285	-	1,751,285	12,712,585
Consultancy services – Technical and Professional services	51,830,082	170,581,447	222,411,529	96,444,493	281,934,408	378,378,901	1,146,845,700
<b>Total</b>	<b>54,341,206</b>	<b>176,506,447</b>	<b>230,847,653</b>	<b>149,442,141</b>	<b>282,991,175</b>	<b>432,433,316</b>	<b>1,367,928,591</b>

**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I**

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**6: Acquisition of Non – Financial Assets**

	FY 2022/23			FY 2021/22			Cumulative to Date
	Payments made by the entity in cash	Payments made by third parties	Total Payments	Payments made by the entity in cash	Payments made by third parties	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Purchase of Vehicles and other transport equipment	-	-	-	-	-	-	12,136,200
Purchase of Office Furniture and General Equipment	-	-	-	53,421	-	53,421	8,404,949
Purchase of land	-	-	-	22,103,343	-	22,103,343	3,576,424,050
Construction of Civil Works - Dam	127,500,000	5,291,940,031	5,419,440,031	257,272,185	6,475,707,974	6,732,980,159	30,546,232,616
<b>Total</b>	<b>127,500,000</b>	<b>5,291,940,031</b>	<b>5,419,440,031</b>	<b>279,428,949</b>	<b>6,475,707,974</b>	<b>6,755,136,923</b>	<b>34,143,197,815</b>

Construction of civil works cumulative payment of Ksh 30,546,232,616 is the actual amount paid to the contractor to date. The retention on this contract to date is Ksh 1,087,585,899 which shall be paid by AfDB as an IPC after the Defect Liability Period. No Retention Account is held by the Program as AfDB remits only the net amount due to the contractor's bank account. Cumulative VAT exemptions to date is Ksh 2,151,234,594.

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**7: Cash and Cash Equivalents**

	FY 2022/23	FY 2021/22
	Kshs	Kshs
Bank Accounts (Note 13.7A and 13.7B)	620,492	3,115,099
<b>Total</b>	<b>620,492</b>	<b>3,115,099</b>

**7A: Bank Accounts**

	FY 2021/22	FY 2020/21
	Kshs	Kshs
Local Currency Bank Account:		
Equity Bank Ltd (A/c 0720262733899)	620,492	3,115,099
<b>Total Bank Account Balances</b>	<b>620,492</b>	<b>3,115,099</b>

**7B: Fund Balance B/Fwd**

	FY 2022/23	FY 2021/22
	Kshs	Kshs
Bank Accounts	3,115,099	652,636
<b>Total</b>	<b>3,115,099</b>	<b>652,636</b>

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**7C: Special Deposit Accounts**

The balances in the Project's Special Deposit Account (SDA) as at 30<sup>th</sup> June 2023 are not included in the Statement of Financial Assets since they are below the line (BTL) items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the SDA movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans received in the year under the Statement of Receipts and Payments.

**Special Deposit Accounts Movement Schedule**

	FY 2022/23	FY 2021/22
	USD	USD
i) A/c Name: Thwake Multipurpose Water Development Program Loan Account (Ac No: 01268945650)		
Opening Balance	-	-
Total amount deposited in the account	289,844.87	479,783.63
Total amount withdrawn (as per Statement of Receipt and Payments)	289,844.87	479,783.63
Bank charges by CBK	-	-
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b>-</b>	<b>-</b>

The SDA reconciliation statement has been attached as Appendix 5 to support the closing balances.

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**14. OTHER IMPORTANT DISCLOSURES**

**1: Pending Accounts Payable (See Annex 3A)**

	Balance b/f FY 2022/23	Additions in the year	Paid in the year	Balance c/f FY 2022/23
	Kshs	Kshs	Kshs	Kshs
Construction of civil works	433,979,306	236,011,102	127,500,000	542,490,408
Supply of Services	10,047,284	78,172,214	10,047,284	78,172,214
<b>Total</b>	<b>444,026,590</b>	<b>314,183,316</b>	<b>137,547,284</b>	<b>620,662,622</b>

**2: Pending Staff Payables (See Annex 3B)**

	Balance b/f FY 2022/23	Additions in the year	Paid in the year	Balance c/f FY 2022/23
	Kshs	Kshs	Kshs	Kshs
Program Implementation Team	-	3,425,000	1,002,667	2,422,333
<b>Total</b>	<b>-</b>	<b>3,425,000</b>	<b>1,002,667</b>	<b>2,422,333</b>

**3: External Assistance**

	FY 2022/23	FY 2021/22
Description	Kshs	Kshs
External Assistance Received as Loan - Revenue	36,889,697	53,944,125
External Assistance Received as Grant and Loan – AIA (Paid by third parties)	5,468,446,478	6,758,699,149
<b>Total</b>	<b>5,505,336,175</b>	<b>6,812,643,274</b>

**3A: External Assistance relating to Loans and Grants**

	FY 2022/23	FY 2021/22
Description	Kshs	Kshs
External Assistance Received as Loan - Revenue	36,889,697	53,944,125
External Assistance Received as Loan - AIA	5,468,446,478	6,758,699,149
<b>Total</b>	<b>5,505,336,175</b>	<b>6,812,643,274</b>



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**3B: Undrawn External Assistance**

		FY 2022/23		FY 2021/22	
		UA	Kshs	UA	Kshs
A/ Initial Financing Agreement					
AfDB - Grant	Construction of Thwake dam	85,095	(5,312,276)	85,095	(5,312,276)
AfDB - Loan		6,488,272	28,577,914	6,797,203	85,101,711
<b>Total Initial Financing</b>		<b>6,573,367</b>	<b>23,265,638</b>	<b>6,882,298</b>	<b>79,789,435</b>
B/ Additional Financing Agreement					
		EURO	Kshs	EURO	Kshs
AfDB Loan	Construction of Thwake dam.	34,670,241	4,474,713,518	74,563,204	8,918,057,290
AGTF		5,247,815	927,232,688	16,609,150	1,932,701,293
<b>Total Additional Financing</b>		<b>39,918,056</b>	<b>5,401,946,206</b>	<b>91,172,354</b>	<b>10,850,758,583</b>

The Initial and Additional Financing Agreements are in UA and Euro currencies respectively. The Kshs equivalents in the financing budget was determined based on the exchange rates at the time of signing of the agreements. Actual payments are determined based on the market exchange rates at the time of payment.

**3C: Classes of providers of External Assistance**

Description	FY 2022/23	FY 2021/22
	Kshs	Kshs
Multilateral donors – African Development Bank	5,505,336,175	6,812,643,274
<b>Total</b>	<b>5,505,336,175</b>	<b>6,812,643,274</b>

**3D: Purpose and use of External Assistance**

Payments made by Third Parties	FY 2022/23	FY 2021/22
	Kshs	Kshs
Use of goods and services	176,506,447	282,991,175
Acquisition of Assets	5,291,940,031	6,475,707,974

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<b>Total payments by Third Parties</b>	<b>5,468,446,478</b>	<b>6,758,699,149</b>
Payments made by entity in cash		
Compensation of Employees	38,677,667	51,334,200
Purchase of Goods and Services/ Operational Costs	706,637	147,462
<b>Total payments in Cash</b>	<b>39,384,304</b>	<b>51,481,662</b>
<b>Total Payments made from External Assistance</b>	<b>5,507,830,782</b>	<b>6,810,180,811</b>

**3E: External Assistance paid by third parties on behalf of entity by Source**

	FY 2022/23	FY 2021/22
Description	Kshs	Kshs
Multilateral Partners – African Development Bank	5,468,446,478	6,758,699,149
<b>Total</b>	<b>5,468,446,478</b>	<b>6,758,699,149</b>

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**15. ANNEXES**

**ANNEX 1: PRIOR YEAR AUDITOR GENERAL'S RECOMMENDATIONS**

<b>Reference No. on the External Audit Report</b>	<b>Issue/ Observations from the Auditor</b>	<b>Management Comments</b>	<b>Focal Point person to resolve the issue</b>	<b>Status: (Resolved/ Not Resolved)</b>	<b>Timeframe</b>
Audit Report for year ended June 30, 2022 – Other Matters	Undisclosed interest on delayed payments to the Contractor	<p>The interest claim by the contractor was not disclosed as part of pending bills because a reconciliation had not been carried out on the claim and was not approved for processing of the Interim Payment Certificates.</p> <p>The reconciled amount is now disclosed as part of the pending bills in the statements. Interest on delayed payments have been occasioned by several factors including non-payment of outstanding VAT to the contractor, inadequate budgetary provision and delayed legislation of the National Public Debt threshold in 2019. The Ministry has streamlined the processing of the IPCs to minimize delays.</p>	Program Coordinator	Resolved.	30/06/2023.
Other Matters:					

	<p>1. Unresolved Prior Year Audit Matters</p>	<p>The Prior Audit Issues form part of the statements included in the Annual Report and Financial Statements which are signed by Accounting Officer giving details of actions taken to resolve the outstanding matters. The Ministry has endeavored to resolve these issues. However, some policy issues like pollution of Athi River and funding of the remaining phases are not yet fully resolved.</p> <p>Below are the specific matters:</p>			
	<p>a/ Funding and continuity of the Program. Issue: Lack of funding for the remaining phases.</p>	<p>The Ministry submitted a request for funding of the remaining phases to the National Treasury. The National Treasury responded that this will be considered in the AfDB Cycle of 2023-2028. Alternative considerations include engagement with interested parties under Public Private Partnership (PPP) arrangement.</p>	<p>Program Coordinator</p>	<p>Not resolved</p>	<p>31/12/2023</p>
	<p>b/ Water pollution of Athi River. Issue: Non mitigation of the risk</p>	<p>A multi sectorial team under Ministry of Water, Sanitation and Irrigation is involved in the control and pollution of Athi River. The team meets monthly to follow up on agreed targets.</p>	<p>Program Coordinator</p>	<p>Not resolved</p>	<p>31/12/2023</p>
	<p>d/ Non construction of temporary site offices: Issue: Option to lease rather than build.</p>	<p>The contractor has since put up permanent buildings for use by the Program staff and the supervising consultant, thus there is no need to put up temporary site offices.</p>	<p>Program Coordinator</p>	<p>Resolved.</p>	<p>30/06/2023</p>
	<p>e/ Delayed development of physical hydraulic model.</p>	<p>The hydraulic model has been developed and is being used to test the design. Final reports have been submitted and the model is operational.</p>	<p>Program Coordinator</p>	<p>Resolved</p>	<p>30/06/2023.</p>

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	f/ Costly Adjustments	Price The contract signed with the contractor included a 2% Provisional Sum for Price Contingencies. However, the actual adjustments determined by the market dynamics and as stated in the price indices from Kenya National Bureau of Statistics (KNBS) has been higher than the provisional sum. The matter is under consideration in the Technical and Financial Appraisal Report prepared and submitted for approval by National Treasury and AfDB.	Program Coordinator	Not Resolved	31/12/2023
	g/ Failure to adhere to Approved Annual Work Plan	Price The Annual Work Plan is used to guide in the implementation of program activities.	Program Coordinator	Resolved.	30/06/2022
	h/ Lumpsum amount in Bill of Quantities.	Price The payment of Ksh 281,959,583 relating to A1 6 – Design and construction of temporary site access roads, and Ksh 79,177,095 for IA 7 – Design and construction of temporary all-season bridge, are lumpsum in nature s defined in the BOQ and the prices are determined using the Engineer’s Estimates. Payment was carried out as per the contractual obligation.	Program Coordinator	Resolved.	31/12/2022
	2. Budgetary Control and Performance	Price The underfunding and under expenditure was due to low value of Interim Payment Certificates (IPCs) submitted by the contractor, against a higher budget that had been provided for. The funds are disbursed based on the value of work certified, services rendered and goods delivered, and acceptable to the Ministry.	Program Coordinator	Resolved.	31/12/2022

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	<p>3. Pending Bills of Ksh 444,026,590.</p>	<p>Part of the pending bills amounting to Ksh 433,979,306 related to VAT to the contractor which had not been paid at the end of the year due to insufficient budgetary provision. Management has been making partial payments whenever there is sufficient budgetary allocation and exchequer provision. Other items included as pending bills relate to taxes payable from GOK counterpart funding on consulting services rendered to the Program.</p> <p>The Program has had pending bills due to factors beyond the control of the Ministry as the budgetary allocation and exchequer provision has been inadequate to clear all outstanding payments. The matter has been brought to the attention of National Treasury which advised the Ministry to rationalize its activities using the available budget.</p>	<p>Program Coordinator</p>	<p>Resolved.</p>	<p>30/06/2023.</p>
<p>Lawfulness and Effectiveness in use of public funds</p>					
	<p>1. Delayed Completion of works</p>	<p>Land has fully been acquired and handed over to the contractor. The implementing agency has enhanced monitoring of the dam construction to ensure that works are completed on schedule. These measures include:</p> <ul style="list-style-type: none"> <li>i. Periodic monitoring of the construction process;</li> <li>ii. Development of the program of works;</li> <li>iii. Contractor working on both day and night shifts; and</li> </ul>	<p>Program Coordinator</p>	<p>Not Resolved.</p>	<p>31/12/2023</p>

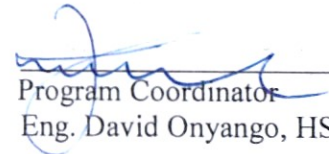
THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I

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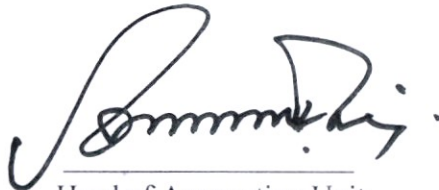
		iv. Meeting between the leadership of the implementing agency and the top leadership of the contractor where the latter promised to complete the construction on schedule.			
	2. Incomplete Corporate Social Responsibility Projects	Three out of the six boreholes have been drilled and handed over to the community. The other three were drilled but did not yield water. The contractor has been notified of the defects in some of the classrooms and health facilities and instructed to redo the work.	Program Coordinator	Not Resolved.	31/12/2023



Principal Secretary  
Julius Korir, CBS.



Program Coordinator  
Eng. David Onyango, HSC



Head of Accounting Unit  
CPA James K. Karori  
ICPAK No:3972



Finance Mgt. Expert  
CPA Tom B. Okello  
ICPAK No: 4534

**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

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**ANNEX 2 – VARIANCE EXPLANATIONS OF COMPARATIVE BUDGET & ACTUAL AMOUNTS**

	Final Budget	Actual on Comparable Basis	Budget Utilisation Variance	% of Utilisation	Comments on Variance below 90% and above 100%
	a	b	c = a - b	d = b/a%	
<b>RECEIPTS DURING THE PERIOD:</b>					
Government of Kenya	180,000,000	181,134,569	(1,134,569)	101	The over receipt was due to reduction of the budget in the Supplementary Estimates after commitments had been made in IFMIS.
Proceeds from external borrowing	6,525,500,000	5,505,336,175	1,020,163,825	84	Under receipt was due to submission of low value IPCs to AfDB for processing. The contractor's IPCs submitted and certified was less than the amount projected and provided for in the Budget.
<b>Total Receipts</b>	<b>6,705,500,000</b>	<b>5,686,470,744</b>	<b>1,019,029,256</b>	<b>85</b>	
<b>PAYMENTS DURING THE PERIOD:</b>					
Compensation of Employees	46,000,000	38,677,667	7,322,333	84	Under payment was due to inadequate funding of AfDB revenue as a result of non-submission of exchequer request on time.
Purchase of Goods & Services	295,000,000	230,847,653	64,152,347	78	Under payment due to delayed submission of invoices by the supervising consultant towards the end of the financial year. The payment could not be processed in IFMIS due to the late submission of the invoice.
Acquisition of non – financial assets	6,364,500,000	5,419,440,031	945,059,969	85	Under expenditure was due to submission of low value IPCs to AfDB for processing. The contractor's IPCs submitted and certified was less than the amount projected and provided for in the Budget.
<b>Total Payments</b>	<b>6,705,500,000</b>	<b>5,688,965,351</b>	<b>1,016,534,649</b>	<b>85</b>	



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ANNEX 3: ANALYSIS OF PENDING BILLS

3A: ANALYSIS OF PENDING ACCOUNTS PAYABLE BILLS AS AT 30<sup>TH</sup> JUNE, 2023

Supplier of Goods or Services	Original Amount	Date Contracted	Amount paid to date	Outstanding Balance 30/06/2023	Outstanding Balance 30/06/2022	Comments
	Ksh		Ksh	Ksh	Ksh	
China Gezhouba Group Co Ltd	230,000,000	08/02/2021	127,500,000	102,500,000	230,000,000	VAT in respect of IPCs 5 and 6 not paid due to insufficient budgetary provision in the financial year. The amounts outstanding have been prioritised for settlement in the financial year 2023/24.
	203,979,306	15/06/2021	-	203,979,306	203,979,306	
	236,011,102	01/07/2022	-	236,011,102	-	Cumulative interest on delayed payments occurred due to several factors including late operationalisation of the Additional Financing Agreement due to delays in the legislation of national public debt threshold in 2019, delayed settlement of outstanding VAT to contractor occasioned by insufficient budgetary provisions, and budgetary cuts during Supplementary Estimates 1 in 2022/23. allocation and exchequer provision.
<b>Sub Total</b>	<b>669,990,408</b>		<b>127,500,000</b>	<b>542,490,408</b>	<b>433,979,306</b>	

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<b>Supply of Services</b>						
Nation Media Group	50,720	19/05/2021	50,720	-	50,720	Payments and adjustments done in the current year.
Eco Ethics Dev.	758,613	14/06/2022	758,613	-	758,613	
SMEC International PTY	972,965	02/06/2022	972,965	-	972,965	
SMEC International PTY	6,884,589	22/06/2022	6,884,589	-	6,884,589	
Batch Associates Ltd	1,372,030	18/06/2022	1,372,030	-	1,372,030	
Multiline Motors	8,367	18/06/2022	8,367	-	8,367	
SMEC International PTY	179,368	30/06/2023	-	179,368	-	Not processed due to insufficient budgetary provision in the financial year. These pending bills have been prioritised in the subsequent financial year.
SMEC International PTY	1,441,169	30/06/2023	-	1,441,169	-	
SMEC International PTY	7,649,081	30/06/2023	-	7,649,081	-	
SMEC International PTY	2,169,929	30/06/2023	-	2,169,929	-	
SMEC International PTY	2,034,912	30/06/2023	-	2,034,912	-	
SMEC International PTY	1,051,113	30/06/2023	-	1,051,113	-	
SMEC International PTY	1,903,941	30/06/2023	-	1,903,941	-	
SMEC International PTY	906,132	30/06/2023	-	906,132	-	
SMEC International PTY	2,193,677	30/06/2023	-	2,193,677	-	
SMEC International PTY	1,903,503	30/06/2023	-	1,903,503	-	
SMEC International PTY	954,989	30/06/2023	-	954,989	-	

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SMEC International PTY	937,907	30/06/2023	-	937,907	-
SMEC International PTY	2,151,791	30/06/2023	-	2,151,791	-
SMEC International PTY	1,980,030	30/06/2023	-	1,980,030	-
SMEC International PTY	631,321	30/06/2023	-	631,321	-
SMEC International PTY	11,635,353	30/06/2023	-	11,635,353	-
SMEC International PTY	11,896,896	30/06/2023	-	11,896,896	-
SMEC International PTY	13,448,696	30/06/2023	-	13,448,696	-
SMEC International PTY	12,375,188	30/06/2023	-	12,375,188	-
Ljiljana Spasic Gril	727,218	30/06/2023	-	727,218	-
<b>Sub Total</b>	<b>88,219,498</b>		<b>10,047,284</b>	<b>78,172,214</b>	<b>10,047,284</b>
<b>Total</b>	<b>758,209,906</b>		<b>137,547,284</b>	<b>620,662,622</b>	<b>444,026,590</b>

The payment requests were not submitted to National Treasury within the period as the documents were received late from the consultant.

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**3B: ANALYSIS OF PENDING STAFF BILLS AS AT 30 JUNE, 2023**

Name of Staff	Job Group	Original Amount	Date Contracted	Amount paid to date	Outstandi ng Balance 30/06/2023	Outstandi ng Balance 30/06/2022	Comments
	Ksh	Ksh		Ksh	Ksh	Ksh	
<b>Supply of Services</b>							
Program Implementation Team	N/A	3,425,000	01/06/2023	1,002,667	2,422,333	-	Outstanding balance for June 2023 due to late replenishment.
<b>Sub Total</b>		<b>3,425,000</b>		<b>1,002,667</b>	<b>2,422,333</b>	<b>-</b>	

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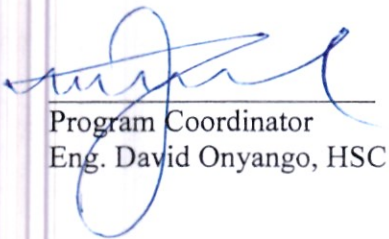
**ANNEX 4: RECONCILIATION OF INTER ENTITY TRANSFERS AS AT 30 JUNE, 2023**

Direct Payments					
	Payee	Ref No.	Transaction Date	Kshs	FY
<b>A/</b>	<b>Initial Financing Agreement</b>				
01	Robin Peterson	WA 0064	16/03/2023	1,322,305	2022/23
02	Batch Associates Ltd	WA 0065	17/03/2023	5,145,114	2022/23
03	Eco – Ethics and Dev. Ltd	WA 0066	08/11/2022	2,155,151	2022/23
04	Ljiljana Spasic - Gril	WA 0067	16/03/2023	1,228,461	2022/23
05	Ioannis Karavokyris	WA 0068	16/03/2023	1,068,579	2022/23
06	Bokoh Ltd	WA 0069	08/02/2023	5,925,000	2022/23
07	Eco – Ethics and Dev. Ltd	WA 0071	14/04/2023	1,724,121	2022/23
08	Robin Peterson	WA 0072	30/06/2023	1,065,370	2022/23
	<b>Sub - Total</b>			<b>19,634,101</b>	
<b>B/</b>	<b>Additional Financing Agreement</b>				
09	CGGC Ltd	WA 0017	07/09/2022	215,253,449	2022/23
10	CGGC Ltd	WA 0018	01/12/2022	207,935,852	2022/23
11	CGGC Ltd	WA 0019	24/01/2023	211,488,443	2022/23
12	CGGC Ltd	WA 0020	17/04/2023	80,111,042	2022/23
13	CGGC Ltd	WA 0021	30/06/2023	161,277,343	2022/23
14	CGGC Ltd	WA 0022	30/06/2023	129,402,477	2022/23
15	CGGC Ltd	WA 0047	07/09/2022	804,368,151	2022/23
16	CGGC Ltd	WA 0048	07/09/2022	113,291,289	2022/23
17	SMEC International PTY	WA 0049	13/01/2023	12,201,769	2022/23
18	SMEC International PTY	WA 0042	14/11/2022	20,370,204	2022/23
19	SMEC International PTY	WA 0050	10/11/2022	29,158,006	2022/23
20	CGGC Ltd	WA 0051	01/12/2022	777,023,449	2022/23
21	CGGC Ltd	WA 0052	01/12/2022	109,439,922	2022/23
22	SMEC International PTY	WA 0053	10/01/2023	12,718,197	2022/23
23	SMEC International PTY	WA 0054	13/01/2023	11,899,628	2022/23
24	CGGC Ltd	WA 0055	24/01/2023	790,298,918	2022/23
25	CGGC Ltd	WA 0056	24/01/2023	111,309,707	2022/23
26	SMEC International PTY	WA 0057	23/02/2023	9,007,304	2022/23
27	SMEC International PTY	WA 0058	18/01/2023	47,806,754	2022/23
28	SMEC International PTY	WA 0059	18/01/2023	13,710,484	2022/23
29	CGGC Ltd	WA 0060	17/04/2023	299,362,315	2022/23
30	CGGC Ltd	WA 0061	17/04/2023	80,111,042	2022/23
31	CGGC Ltd	WA 0062	30/06/2023	602,667,965	2022/23
32	CGGC Ltd	WA 0063	30/06/2023	84,882,812	2022/23
33	CGGC Ltd	WA 0068	30/06/2023	483,556,624	2022/23
34	CGGC Ltd	WA 0069	30/06/2023	68,106,567	2022/23

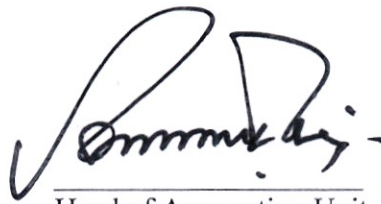
**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

*Annual Report and Financial Statements for the Year ended 30 June, 2023*


	<b>Sub Total</b>			<b>5,448,812,377</b>	
	<b>Total AIA</b>			<b>5,468,446,478</b>	
Loan Revenue					
1	Program Bank Account	WA 0063	30/11/2022	13,100,206	2022/23
2	Program Bank Account	WA 0070	31/03/2023	23,789,491	2022/23
	<b>Total</b>			<b>36,889,697</b>	



Program Coordinator  
Eng. David Onyango, HSC



Head of Accounting Unit  
CPA James K. Karori  
ICPAK No. 3972



Finance Mgt. Expert  
CPA Tom B. Okello  
ICPAK No. 4534

*THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1*

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

**ANNEX 5: SCHEDULE OF THE FIXED ASSETS AS AT 30 JUNE, 2023**

	Opening Cost	Purchases/ Additions in the Year	Disposals in the Year	Transfers In/(Out)	Closing Cost
	2022/23	2022/23	2022/23	2022/23	2022/23
	a	b	c	d	e = a + b + d - c
	Kshs	Kshs	Kshs	Kshs	Kshs
Land	3,576,424,050	-	-	-	3,576,424,050
Civil Works - Dam	25,126,792,585	5,419,440,031	-	-	30,546,232,616
Transport Equipment	12,136,200	-	-	-	12,136,200
Office Equipment, furniture & Fittings	8,404,949	-	-	-	8,404,949
<b>Total</b>	<b>28,723,757,784</b>	<b>5,419,440,031</b>	<b>-</b>	<b>-</b>	<b>34,143,197,815</b>

Land constitutes the payments already made through NLC to the PAPs for the acquisition of land for the Thwake dam site.

Civil Works – Dam is the construction of the Thwake dam that is on-going.

The details of the various fixed assets procured by the Program since its inception are provided in the table below.

**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

**Table 2: Details of Fixed Assets as at 30 June, 2023**

		Serial No.	Land	Civil Works – Dam Construction	Motor Vehicles	Office Equipment, Furniture and Fittings
01	Thwake Dam site		3,576,424,050	-	-	-
02	Executive Desks	MOWI/TMWDP/F001	-	-	-	62,517.00
03	Executive Desks	MOWI/TMWDP/F002	-	-	-	62,517.00
04	Executive Desks	MOWI/TMWDP/F003	-	-	-	62,517.00
05	Executive Desks	MOWI/TMWDP/F004	-	-	-	62,517.00
06	Executive Desks	MOWI/TMWDP/F005	-	-	-	62,517.00
07	Filling Cabinet	MOWI/TMWDP/F006	-	-	-	259,376.00
08	Executive Visitor's Chair	MOWI/TMWDP/F007	-	-	-	19,332.00
09	Executive Visitor's Chair	MOWI/TMWDP/F008	-	-	-	19,332.00
10	Executive Visitor's Chair	MOWI/TMWDP/F009	-	-	-	19,332.00
11	Executive Visitor's Chair	MOWI/TMWDP/F010	-	-	-	19,332.00
12	Executive Visitor's Chair	MOWI/TMWDP/F011	-	-	-	19,332.00
13	Executive Visitor's Chair	MOWI/TMWDP/F012	-	-	-	19,332.00
14	Executive Visitor's Chair	MOWI/TMWDP/F013	-	-	-	19,332.00
15	Executive Visitor's Chair	MOWI/TMWDP/F014	-	-	-	19,332.00
16	Executive Visitor's Chair	MOWI/TMWDP/F015	-	-	-	19,332.00
17	Executive Visitor's Chair	MOWI/TMWDP/F016	-	-	-	19,332.00
18	Executive High Back Chair	MOWI/TMWDP/F017	-	-	-	50,555.00
19	Executive High Back Chair	MOWI/TMWDP/F018	-	-	-	50,555.00
20	Executive High Back Chair	MOWI/TMWDP/F019	-	-	-	50,555.00
21	Executive High Back Chair	MOWI/TMWDP/F020	-	-	-	50,555.00
22	Executive High Back Chair	MOWI/TMWDP/F021	-	-	-	50,555.00
23	Filling Cabinet	MOWI/TMWDP/F022	-	-	-	44,210.00
24	Filling Cabinet	MOWI/TMWDP/F023	-	-	-	44,210.00
25	Filling Cabinet	MOWI/TMWDP/F024	-	-	-	44,210.00
26	Filling Cabinet	MOWI/TMWDP/F025	-	-	-	44,210.00



*THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1*

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

27	Filling Cabinet	MOWI/TMWDP/F026	-	-	-	-	44,210.00
28	Pajero Station Wagon	GK B933J	-	-	6,068,100.00	-	-
29	Pajero Station Wagon	GK B934J	-	-	6,068,100.00	-	-
30	Fridge	MOWI/TMWDP/E001	-	-	-	115,280.00	-
31	Multipurpose Copier	MOWI/TMWDP/E002	-	-	-	358,500.00	-
32	Laptop Computer	MOWI/TMWDP/E003	-	-	-	118,060.50	-
33	Laptop Computer	MOWI/TMWDP/E004	-	-	-	118,060.50	-
34	Laptop Computer	MOWI/TMWDP/E005	-	-	-	118,060.50	-
35	Laptop Computer	MOWI/TMWDP/E006	-	-	-	118,060.50	-
36	Dam Construction	MW/TMWDP – 1/WOO1/2017 – 2018	-	-	30,546,232,616	-	-
37	Compact Fire Proof Cabinet	MOWI/TMWDP/F026-1	-	-	-	139,850.00	-
38	Compact Fire Proof Cabinet	MOWI/TMWDP/F027	-	-	-	139,850.00	-
39	Compact Fire Proof Cabinet	MOWI/TMWDP/F028	-	-	-	139,850.00	-
40	Compact Fire Proof Cabinet	MOWI/TMWDP/F029	-	-	-	139,850.00	-
41	4 Drawer Steel Filling Cabinet	MOWI/TMWDP/F030	-	-	-	29,450.00	-
42	4 Drawer Steel Filling Cabinet	MOWI/TMWDP/F031	-	-	-	29,450.00	-
43	Executive Desk	MOWI/TMWDP/F032	-	-	-	85,500.00	-
44	Executive Desk	MOWI/TMWDP/F033	-	-	-	85,500.00	-
45	Executive Desk	MOWI/TMWDP/F034	-	-	-	85,500.00	-
46	Executive Desk	MOWI/TMWDP/F035	-	-	-	85,500.00	-
47	High Back Orthopaedic Chair	MOWI/TMWDP/F036	-	-	-	60,500.00	-
48	High Back Orthopaedic Chair	MOWI/TMWDP/F037	-	-	-	60,500.00	-
49	High Back Orthopaedic Chair	MOWI/TMWDP/F038	-	-	-	60,500.00	-
50	High Back Orthopaedic Chair	MOWI/TMWDP/F039	-	-	-	60,500.00	-
51	High Back Orthopaedic Chair	MOWI/TMWDP/F040	-	-	-	60,500.00	-
52	High Back Orthopaedic Chair	MOWI/TMWDP/F041	-	-	-	60,500.00	-
53	Medium Back Agronomic Chair	MOWI/TMWDP/F042	-	-	-	45,000.00	-
54	Medium Back Agronomic Chair	MOWI/TMWDP/F043	-	-	-	45,000.00	-
55	Medium Back Agronomic Chair	MOWI/TMWDP/F044	-	-	-	45,000.00	-
56	Medium Back Agronomic Chair	MOWI/TMWDP/F045	-	-	-	45,000.00	-

**THWA MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

**Annual Report and Financial Statements for the Year ended 30 June, 2023**

57	2 Way Secretarial Work Station	MOWI/TMWDP/F046	-	-	-	140,500.00
58	2 Way Secretarial Work Station	MOWI/TMWDP/F047	-	-	-	140,500.00
59	Projector Epson EB 541	MOWI/TMWDP/E007	-	-	-	84,600.00
60	Atlas Paper Shredder	MOWI/TMWDP/E008	-	-	-	61,200.00
61	Atlas Paper Shredder	MOWI/TMWDP/E009	-	-	-	61,200.00
62	Atlas Paper Shredder	MOWI/TMWDP/E010	-	-	-	61,200.00
63	Atlas Paper Shredder	MOWI/TMWDP/E011	-	-	-	61,200.00
64	Atlas Paper Shredder	MOWI/TMWDP/E012	-	-	-	61,200.00
65	Multi Sectorial Copier	MOWI/TMWDP/E013	-	-	-	495,000.00
66	Colour Printer HP MFP 477FDW	MOWI/TMWDP/E014	-	-	-	148,250.00
67	Colour Printer HP MFP 477FDW	MOWI/TMWDP/E015	-	-	-	148,250.00
68	Kyocera Printer Task Alfa 2040DN	MOWI/TMWDP/E016	-	-	-	125,300.00
69	Kyocera Printer Task Alfa 2040DN	MOWI/TMWDP/E017	-	-	-	125,300.00
70	Kyocera Printer Task Alfa 2040DN	MOWI/TMWDP/E018	-	-	-	125,300.00
71	HP Laptop Computer – Core i7	MOWI/TMWDP/E019	-	-	-	175,000.00
72	HP Laptop Computer – Core i7	MOWI/TMWDP/E020	-	-	-	175,000.00
73	HP Laptop Computer – Core i7	MOWI/TMWDP/E021	-	-	-	175,000.00
74	HP Laptop Computer – Core i7	MOWI/TMWDP/E022	-	-	-	175,000.00
75	HP Laptop Computer – Core i7	MOWI/TMWDP/E033	-	-	-	175,000.00
76	HP Laptop Computer – Core i7	MOWI/TMWDP/E034	-	-	-	175,000.00
77	HP Laptop Computer – Core i7	MOWI/TMWDP/E035	-	-	-	175,000.00
78	HP Laptop Computer – Core i7	MOWI/TMWDP/E036	-	-	-	175,000.00
79	HP Laptop Computer – Core i7	MOWI/TMWDP/E037	-	-	-	175,000.00
80	HP Laptop Computer – Core i7	MOWI/TMWDP/E038	-	-	-	175,000.00
81	Desktop Computer – HP Core i5	MOWI/TMWDP/E023/24	-	-	-	140,000.00
82	Desktop Computer – HP Core i5	MOWI/TMWDP/E025/26	-	-	-	140,000.00
83	Desktop Computer – HP Core i5	MOWI/TMWDP/E027/28	-	-	-	140,000.00
84	Desktop Computer – HP Core i5	MOWI/TMWDP/E029/30	-	-	-	140,000.00

*THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I*

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

85	Desktop Computer – HP Core i5	MOWI/TMWDP/E031/32	-	-	-	140,000.00
86	Camera	MOWI/TMWDP/E039	-	-	-	427,521.00
	<b>Total</b>		<b>3,576,424,050</b>	<b>30,546,232,616</b>	<b>12,136,200</b>	<b>8,404,949.00</b>

*THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1*  
*Annual Report and Financial Statements for the Year ended 30 June, 2023*

***ANNEX 6: OTHER SUPPORT DOCUMENTS***

**I. TRANSFERS CONFIRMATION TEMPLATE**

*THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1  
Reports and Financial Statements for the Financial Quarter ended June 30, 2023*

I. TRANSFER TO/ FROM CONFIRMATION TEMPLATE

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM  
MINISTRY OF WATER, SANITATION AND IRRIGATION  
STATE DEPARTMENT FOR WATER AND SANITATION  
P.O BOX 49720 – 00100, NAIROBI

The Thwake Multipurpose Water Development Program wishes to confirm the amounts received from you as at June 30, 2023 as indicated in the table below. Please compare the amounts received from you with the amounts you disbursed. Then please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts disbursed by the Ministry of Water, Sanitation and Irrigation – State Department for Water and Sanitation as at June 30, 2023						
Reference No.	Date Received	Amounts released to Thwake Multipurpose Water Development Program as at June 30, 2023			Amounts received by the Program as at June 30, 2023 (D)	Difference E = (C – D)
		Development (A)	Inter – Project (B)	Total (C)		
		Kshs	Kshs	Kshs	Kshs	Kshs
EA/FA/78/7/028 /D	30/11/2022	13,100,206	-	13,100,206	13,100,206	-
EA/FA/78/7/028 /D	30/03/2023	23,789,491	-	23,789,491	23,789,491	-
						-
<b>Total</b>		<b>36,889,697</b>	<b>-</b>	<b>36,889,697</b>	<b>36,889,697</b>	<b>-</b>

I confirm that the amounts shown above are correct as of the date indicated.

Name JAMES KARORI

Signature 

Date 18/7/2023



**THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1**

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

**II: BANK RECONCILIATION STATEMENT AS AT 30 JUNE, 2023**

				F.O 30
MINISTRY OF WATER, SANITATION AND IRRIGATION				
THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM - LOAN				
BANK RECONCILIATION STATEMENT AS AT 30/06/2023				
EQUITY BANK A/C '0720262733899			KITUI BRANCH	
		Kshs.	Kshs.	Kshs.
Balance as per Bank Statements				<b>1,767,647</b>
Less:				
1. Payments in cashbook not yet recorded in bank statement (Unpresented Cheques)		1,147,696		
			<b>1,147,696</b>	
2. Receipts in bank statement not yet recorded in cashbook		-		
Add:				
3. Payments in bank statement not yet recorded in cashbook		540		
4. Receipts in cashbook not yet recorded in bank statement.		1	<b>541</b>	
<b>Balance as per the Cashbook.....</b>				<b>620,492</b>

I certify that I have verified the bank balance in the cashbook with the bank statement and that the above reconciliation is correct.

Prepared By: Tom B. Othello

Finance Mgt. Expert



THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1

Annual Report and Financial Statements for the Year ended 30 June, 2023

MINISTRY OF WATER, SANITATION & IRRIGATION			
THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM - LOAN			
BANK RECONCILIATION STATEMENT AS AT 30/06/2023			
SCHEDULE OF UNPRESENTED CHEQUES AS AT 30/06/2023			
Date	Cheque No.	Payee	Amount
			Ksh
30/06/2023	001142	NHIF	13,600
30/06/2023	001143	Equity Bank K Ltd	958,532
30/06/2023	00110095	NT – Revenue Collection Account	30,535
30/06/2023	001144	Multiline Motors K Ltd	145,029
		<b>Total</b>	<b>1,147,696</b>
SCHEDULE OF PAYMENTS IN BANK NOT IN CASHBOOK (BANK CHARGES)			
Date		Bank Charge	Ksh
02/06/2023		Inward Clearing Charge	180
05/06/2023		Inward Clearing Charge	60
06/06/2023		Bankers Cheque Charge	120
06/06/2023		Transfer Charge	120
06/06/2023		Inward Clearing Charge	60
		<b>Total Bank Charges</b>	<b>540</b>
SCHEDULE OF RECEIPTS IN BANK NOT IN CASHBOOK			
			-





HEAD OFFICE: P.O.Box : 75104 - 00200 Nairobi, Tel: 020-2262000 Fax: 2737276, Mobile: 0711 026000,0732 112000, Email: info@equitybank.co.ke, Website: www.equitybank.co.ke

To:

THWAKE MULTI-PURPOSE WATER  
DEVELOPMENT PROGRAMME PHASE 1  
P.O.BOX 49720  
NAIROBI  
KE  
00100

Branch ID : 072  
Customer Name : THWAKE MULTI-PURPOSE WATER  
DEVELOPMENT PROGRAMME PHASE 1  
Product Name : CAA  
Currency : KES

Account Statement 0720262733899  
Statement Period (From 01-06-2023 To 06-07-2023)



Tran Date	Value Date	Tran Particulars	Instrument Id	Debit	Credit	Balance
02-06-2023	02-06-2023	ChequeNo.001134 Presented	1134	286,171.00		3,604,832.10
02-06-2023	02-06-2023	Inward Clearing Charge		60.00		3,604,772.10
02-06-2023	02-06-2023	Inward Clearing Charge		60.00		3,604,712.10
02-06-2023	02-06-2023	ChequeNo.001135 Presented	1135	286,171.00		3,318,541.10
02-06-2023	02-06-2023	ChequeNo.001133 Presented	1133	286,171.00		3,032,370.10
02-06-2023	02-06-2023	Inward Clearing Charge		60.00		3,032,310.10
05-06-2023	05-06-2023	ChequeNo.001136 Presented	1136	261,636.00		2,770,674.10
05-06-2023	05-06-2023	Inward Clearing Charge		60.00		2,770,614.10
06-06-2023	06-06-2023	DD/CC ISSUED		30,655.00		2,739,959.10
06-06-2023	06-06-2023	2020230001710154 THWAKE MULTIPURPOSE WATER DEVELO	1140	958,532.00		1,781,427.10
06-06-2023	06-06-2023	Transfer Charge		120.00		1,781,307.10
06-06-2023	06-06-2023	ChequeNo.001141 Presented	1141	13,600.00		1,767,707.10
06-06-2023	06-06-2023	Inward Clearing Charge		60.00		1,767,647.10
06-07-2023	06-07-2023	DD/CC ISSUED		30,655.00		1,736,992.10
Grand Total				2,154,011.00	0.00	1,736,992.10

Note: Any omission or errors in this statement should be promptly advised in writing to the Branch Manager within 30 days from the date of receipt otherwise the account will be presumed to be in order.

PK1670020230706125945

# PAYMENTS

86

F.O. 26 (Small)

Item Paid	Description of Payment	Allocation	Voucher No.	Cheque No.	Sh. cts.	Sh. cts.	Sh. cts.
	PETER MUSUYA			1136	261,636-		
	- AUGUSTINE MAKAU			1137	286,171-		
	- SHADRACK YEGD			1138	286,171-		
	- GODFREY OLALI			1139	286,171-		
	- NT REV COLLECTION				30,535-		
	- NHIF			1141	13,600-		342,500.00-
	SAL ENERGIES MARKETING KENYA LTD.			1131			502,000.00-
	SAL PAYMENTS						392,700.00-
	LANCE CID						177,730.8-
							570,430.8-
	C - JMWDP: JUNE 2023 PAYROLL 013A.						
	- EQUITY BANK (PAYE)			1143	958,532-		
	- NHIF			1142	13,600-		
	- NT REVN COLL. A/C			BC110095	30,535-		1,002,667.00-
	LITLINE MOTORS LTD			014 1144			145,029.00-
	- JMWDP: BANK CHARGES O/S.						9,120.00-
	SAL PAYMENTS						1,156,816.00-
							620,492.00-
							1,777,308.00-
	Board of Survey:-						
	Nicholas Muthi			14/07/23			
	DORCAS WASSIKE			14/07/23			
	SARAH MURITHI			14/07/2023			

*THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE I*  
*Annual Report and Financial Statements for the Year ended 30 June, 2023*

**III: BOARD OF SURVEY REPORT**

Date: July 14<sup>th</sup> 2023

Report of the Board of Survey on the Cash and Bank Balances of ...Thwake Multipurpose Water Development Program...as at close of business on .....30/06/2023.

The Board consisting of – (Names and Official Titles)

1. Nicholas Mito - Finance Unit (Chair)
2. Dorcas Wasike – Accounting Unit (Member)
3. Sarah Muriithi – Accounting Unit (Member)

Assembled in the office of ...Thwake Multipurpose Water Development Program.....at ...10.00am..... (time) on the ...14<sup>th</sup> July, 2023 as the following cash was produced:

Notes	Sh ...NIL.....
Silver	Sh ...NIL.....
Copper	Sh ...NIL.....
Cheques as per details on reverse	Sh ...NIL.....
Total	Sh - _____

It was observed that cheques amounting to Sh ..... had been on hand for more than 14 days prior to the date of the survey.

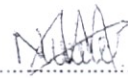
The cash consist of East African currency and does not contain any demonetized coin or notes.

The cash book reflected the following balances as at the close of business on the 30/06/2023 .....

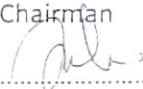
Cash on Hand	Sh ...NIL.....
Bank Balance	Sh 620,492.00.....
Total	Sh 620,492.00_____

The Bank Certificate of Balance showed a sum of Sh 1,767,647.10...standing to the credit of the account on ...30/06/2023.

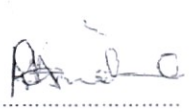
The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (FO 30) attached.

.....  


Chairman

.....  


Members of the Board

.....  


Date 14/07/2023





Your Ref: TMWDP/FIN/BANK/038

Our Ref: EBKL/017/54308865922

THE MINISTRY OF WATER, SANITATION AND IRRIGATION  
STATE DEPARTMENT OF WATER AND SANITATION  
THWAKE MULTI-PURPOSE WATER DEVELOPMENT PROGRAMME  
MAJI HOUSE  
NGONG ROAD  
P.O.BOX 49720-00100

NAIROBI

July 13, 2023

Dear Sir,

Ref: CERTIFICATE OF BALANCE FOR THWAKE MULTI-PURPOSE WATER DEVELOPMENT PROGRAMME  
PHASE 1 BOARD ACCOUNT 0720262733899

Regarding your letter dated July 10,2023, requesting a certificate of balance for the account below,  
please see our response to the information requested.

<u>Account Name</u>	<u>Account Number</u>	<u>Balance as at 30.06.2023</u>
THWAKE MULTI-PURPOSE WATER DEVELOPMENT PROGRAMME PHASE 1	0720262733899	1,767,647.10

Thank you for choosing us to be your preferred banking partner.

Yours Faithfully

Joseph Mahiri

Credit Manager-Community Retail Branch



*THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1*  
*Annual Report and Financial Statements for the Year ended 30 June, 2023*

**IV. SPECIAL ACCOUNT STATEMENT AS AT 30 JUNE, 2023**



6

THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAMME PHASE 1  
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION  
FOR THE YEAR ENDED 30TH JUNE 2023  
PART B: ACCOUNT RECONCILIATION STATEMENT

PROJECT No. 2100150029993

Bank Account No.1000213507 Held with Central Bank of Kenya

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by ADB		2,896,134.66
	Less		
2	Total amount justified to ADB		2,773,457.92
3	<b>Outstanding amount advanced to Designated Account</b>		<b>122,676.74</b>
<b>Represented by:</b>			
4	Ending Designated Account Balance at 30.06.2023		-
5	Amount claimed but not credited at 30.06.2023		-
6	Amount withdrawn and not claimed as at 30.06.2023		122,676.74
7	Service charges (if not included in 5 & 6 above)		-
	Less		
8	Interest earning (if included in Designated Account)		-
9	<b>Total advance to Designated Account year ended 30.06.2023</b>		<b>122,676.74</b>

Discrepancy between total appearing on lines 3 and 9

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by ADB and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by ADB and shall be documented in subsequent IFRs/SOEs

*Signature*

AUTHORIZED REPRESENTATIVE

RESOURCES MOBILIZATION DEPARTMENT - TREASURY DATE: 24-08-2023



### SPECIAL ACCOUNT STATEMENT

For period ending 30th JUNE, 2023  
 Account No. 1000213507  
 Depository Bank CENTRAL BANK OF KENYA.  
 Address CENTRAL BANK OF KENYA.  
 Related Loan THWAKE M-P WATER- LN 2100150029993  
 Credit Agreement  
 Currency USD

#### Part A - Account Activity

Beginning balance of 1st July, 2022 as per C.B.K. Ledger Account	0.00
<b>Add:</b>	
Total Amount deposited by World-Bank <sup>ADB</sup>	289,844.87
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
<b>Deduct:</b>	
Total amount withdrawn	289,844.87
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2023	0.00

AUTHORISED REPRESENTATIVE  
CENTRAL BANK OF KENYA

SIGNATURE:

*[Signature]*

DATE

24.07.2023

AUTHORISED REPRESENTATIVE  
EXTERNAL RESOURCES  
DEPARTMENT-TREASURY

SIGNATURE:

*[Signature]*

DATE

24-08-2023

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2023 have been reconciled and a copy of the supporting Reconciliation Statement is attached.



CENTRAL BANK OF KENYA  
 BANKI KUU YA KENYA  
 P.O. BOX 60000-0200  
 NAIROBI

ACCOUNT NUMBER : 1000213507

ACCOUNT TITLE : THWAKE M-P WATER- LN 2100150029993  
 30/06/2023

STATEMENT PERIOD: From 01/07/2022 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :			0.00		
NO.	Value Date	Reference.No	Details	Debit	Credit
1	09/09/2022	FT222521DZM7	FUNDING	0.00	107,563.89
2	15/11/2022	FT22319KP6MZ	PA129554	-107,563.89	0.00
3	13/03/2023	FT23072C2Z5H	FUNDING	0.00	182,280.98
4	22/03/2023	FT23081G0JR3	PA 129649	-182,280.98	0.00

CLOSING BALANCE : 0

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM		<a href="#">More Options</a>	<a href="#">Find</a>
		<a href="#">Clear Selection</a>	
Account	equals	▼	1000213507
Statement From	equals	▼	20220701
Statement To	equals	▼	20230630
TAM.E.STMT.OF.ACCT.EPRM			



*THWAKE MULTIPURPOSE WATER DEVELOPMENT PROGRAM, PHASE 1*

*Annual Report and Financial Statements for the Year ended 30 June, 2023*

**Reconciliation of the Amount Withdrawn and not claimed as at 30 June, 2023**

		USD	USD
01	Amount as per the Special Account Reconciliation		122,676.74
02	Amount justified as per AfDB Statement	2,773,457.92	
03	Corrected Justifications as per 0042JUS	2,768,132.40	
04	Over justification as per AfDB Statement (02 – 03)		5,325.52
05	Corrected Amount withdrawn and not yet justified (01 + 04)		128,002.26
06	Justification in Process – 0043JUS	30,098.84	
07	Justification under review to include as 0044JUS	8,789.79	
08	Balance held in Program Bank Account (Equiv. Ksh 620,492)	4,754.36	
09	Replenishment in process to Program Bank Account	84,284.73	
10	Bank charges by CBK	75.00	
11	Total Amount Explained (06+07+08+09+10)		128,002.72
12	Rounding Off (05 – 11)		(0.46)

