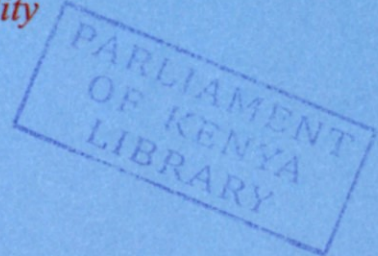


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



**OF**

THE NATIONAL ASSEMBLY  
PAPERS

**THE AUDITOR-GENERAL**

DATE: 13 MAR 2024

WED

TABLED

Hon. Owen Bayo, MP  
Deputy leader, majority party  
Mzee Mwale

**ON**

**KENYA WATER SECURITY AND CLIMATE  
RESILIENCE PROJECT (GRANT NO.  
TFOA0761A AND CREDIT NO.5268/5674-KE)**

**FOR THE YEAR ENDED**

**30 JUNE, 2023**

**STATE DEPARTMENT FOR WATER AND  
SANITATION**





OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
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**KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT**

**MINISTRY OF WATER, SANITATION AND IRRIGATION,  
STATE DEPARTMENT FOR WATER AND SANITATION**

**PROJECT GRANT NUMBER TFOA0761A/CREDIT NUMBER 5268/5674-KE**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2023**

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

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## **1. Acronyms and Glossary of Terms**

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.

**KfW**

*(Project to include all acronyms and glossary of terms used in the annual report and financial statements)*



## **2. Project Information and Overall Performance**

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

#### **Name**

The project's official name is Kenya Water Security and Climate Resilience Project.

#### **Objective**

The key objective of the project is i) increase availability and productivity of irrigation water for project beneficiaries; and (ii) enhance the institutional framework and strengthen capacity for water security and climate resilience for the country

#### **Address**

The project headquarters offices are Nairobi, Nairobi County, Kenya.

The address of its registered office is:

Kenya Water Security and Climate Resilience Project,  
Ministry of Water, Sanitation and Irrigation, State Department for Water-Ngong Road,  
Maji House  
P.O Box 49720-00100 Nairobi

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

P.O. Box:

Telephone: (254) 27116103

E-mail: [infor@kwscrp.org](mailto:infor@kwscrp.org)

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

**Project information and overall performance (continued)**

**2.2 Project Information**

Project Start Date:	5 <sup>th</sup> January 2012
Project End Date:	30 <sup>th</sup> September 2023
Project Manager:	Eng. Vincent N. Kabuti
Project Sponsor:	Ministry of Water, Sanitation and Irrigation, State Department for Water

**2.3 Project Overview**

Line Ministry/State Department of the project	Ministry of Water, Sanitation and Irrigation, State Department for Water.
Project number	Credit No. 5268/5674-KE/TFA0761
Strategic goals of the project	The strategic goals of the project are as follows: (i) To improve water security and build climate resilience by strengthening water and climate risk investment planning, preparation and implementation that is supported by an enhanced institutional framework.
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Increase availability and productivity of irrigation water for project beneficiaries and enhance the institutional framework and strengthen capacity for water security and climate resilience for the country.
Other important background information of the project	The project is funded by the Government of Kenya (GOK), International Development Association (IDA), KfW, Korea-World Bank Group Partnership Facility Single-donor Trust Funds Grant and the Beneficiaries.



**Kenya Water Security and Climate Resilience Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

	<p>The project total cost is US\$ 253 million as indicated below and is to be implemented over seven years.</p> <ul style="list-style-type: none"> <li>• IDA (USD 213M),</li> <li>• Kfw (USD 20.1M),</li> <li>• GOK (USD 15.2M)</li> <li>• Korea-WB Trust Fund (USD 3.5M)</li> <li>• Beneficiaries (USD 1.2M)</li> </ul> <p>The project has seven categories as per the Financing Agreement Category 1 Goods, Category 2 Works, Category 3 Consultancy Services, Category 4 Operating Costs, Category 5 Refunds of Preparation Advance and Category 6 Unallocated, Category 7 Goods, Works, Consultancy Services and Training.</p>
<p>Areas that the project was formed to intervene</p>	<p>The project was formed to intervene in the following problems/gaps:</p> <ul style="list-style-type: none"> <li>(i) Component 1: Water Resource Development, <ul style="list-style-type: none"> <li>SC1.1 Water Sector Investment</li> <li>SC1.2 Water Investment Pipeline.</li> </ul> </li> <li>(ii) Component 2: Effective Water Sector Institutions <ul style="list-style-type: none"> <li>SC2.1 Support for Water Sector Transition and Reforms</li> <li>SC1.2 Strengthening Water Management and Planning</li> </ul> </li> <li>(iii) Support for Project Implementation</li> </ul>
<p>Project duration</p>	<p>10 Years</p>

**Project Information and Overall Performance (Continued)**

**2.4 Bankers**

The following are the bankers for the project:

- (i) Designated Account-Central Bank of Kenya-Account No. 1000214244
- (ii) NCBA Bank, NCBA House-Account No. 1000591738

**2.5 Independent Auditor**

The project is audited by the  
Auditor General  
Office of the Auditor General (OAG).  
P.O. Box 30084 University Way,  
Nairobi

**2.6 Roles and Responsibilities**

List the different people who are working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

<b>Names</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>
Julius Korir	Principal Secretary	BSC Agriculture Economics, MBA International Business	Accounting Officer
Eng. Samuel Alima	Water Secretary	BSC Civil Engineering	Coordination of the Project
Eng. Vincent N. Kabuti.	Project Manager	BSc Civil Engineering	Overall Project Management
CPA James K. Karori	Deputy Accountant General	B.com CPA(K)	Financial Management



**Project Information and Overall Performance (Continued)**

**2.7 Funding summary**

The Project is for duration of 10 years from 2013 to 2023 with an approved budget of US\$ 146.06 (use donor currency) equivalent to Kshs 14.9 billion as highlighted in the table below:

**Project information and overall performance (continued)**

Below is the funding summary:

**A. Source of Funds**

Source of funds	Donor Commitment-		Amount received to date – (30 June 2023)		Undrawn balance to date	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency Kshs	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
<b>(i) Grant</b>						
Korean – WB Trust Fund	\$ 3,500,000	350,000,000	\$ 2,795,601	279,560,133	\$ 704,399	70,439,867
<b>(ii) Loan</b>						
IDA	\$111,320,000	15,584,800,000	\$106,722,873	11,421,544,126	\$ 4,597,127	4,163,255,874
KfW	€ 15,000,000	2,400,000,000	€10,115,931	1,618,548,941	€4,884,069	781,451,059
<b>(iii) Counterpart funds</b>						
Government of Kenya	18,700,000	1,870,000,000	14,546,520	1,366,152,000	4,153,480	503,848,000
<b>Total</b>	-	<b>20,204,800,000</b>	-	<b>14,685,805,200</b>	-	<b>5,518,994,800</b>



Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 <sup>th</sup> June 2023)		Cumulative amount paid to date – (30 <sup>th</sup> June 2023)	Unutilised balance to date (30 <sup>th</sup> June 2023)	
	<i>Donor currency</i>	<i>Kshs</i>		<i>Donor currency</i>	<i>Kshs</i>
	(A)	(A')		(A)-(B)	(A')-(B')
<b>(i) Grant</b>					
Korean – WB Trust Fund	\$ 2,795,601	279,560,133	279,560,133	704,399	70,429,867
	-	-		-	-
<b>(ii) Loan</b>					
IDA	\$106,722,873	11,421,544,126	11,421,544,126	\$ 4,597,127	463,048,929
KfW	€10,115,931	1,618,548,941	1,618,548,941	€ 4,848,069	523,645,128
<b>(iii) Counterpart funds</b>					
Government of Kenya	14,546,520	1,366,152,000	1,061,500,000	4,153,480	503,848,000
<b>Total</b>	-	<b>14,685,805,200</b>	<b>14,381,532,000</b>	<b>14,339,075</b>	<b>5,518,994,800</b>



**Project information and overall performance (continued)**

**2.8 Summary of Overall Project Performance:**

- i) Budget performance against actual amounts for current year and for cumulative to-date,

	2022/2023		TOTAL		Variance %
	Budget	Actual	Budget	Actual	
Receipts from Government of Kenya	146,000,000	61,500,000	2,475,652,500	1,366,152,000	55%
Proceeds from Domestic and Foreign Grants			520,000,000	279,560,133	54%
Loan from External Development Partners	1,650,000,000	1,040,906,284	16,739,594,860	13,040,093,066	78%
	<b>1,796,000,000</b>	<b>1,102,406,284</b>	<b>19,735,247,360</b>	<b>14,685,805,199</b>	<b>74%</b>

- ii) Physical progress based on outputs, outcomes, and impacts since project commencement,

The primary objective of the project is to develop infrastructure to irrigate 2,385 hectares of land for sustainable production of food and high-value crops amongst other project benefits. As reflected in the table 1 below, the project has good progress to deliver water for irrigation in lower Nzoia. Physical progress in the Lower Nzoia Irrigation Project (LNIP) now stands at 57.28%. Infrastructure for Flood Mitigation Structures (IFMS), the key milestone is the improvement of about 34 km (17 Km on each bank) of the dykes and associated structures on both banks of the lower parts of Nzoia River. The overall work progress improved now stands at 88.13%, meaning that 29.96 km has been completed, protecting 22,029 ha of land and 58,774 beneficiaries from the perils of flooding. Other notable achievements include the provision of 3,000,000 clean seedlings to farmers through the existing shade net, training of 8,400 farmers in production of clean planting materials/nursery management and reaching 6,324 farmers with extension and advisory services. The project's overall target is to ensure 1,450 Ha of Nzoia watershed is conserved. Cumulatively the project has conserved 1,135.5 ha.

**Project Information and Overall Performance (Continued)**

Under land acquisition (LA), the project continued with the ongoing land acquisition activities in the remaining section of the main canal, all the secondary canals in Blocks 6 to 14 and all tertiary canals. The overall project target is to acquire a total of 2,871 parcels required to construct the intake works, headworks canal, main canal, secondary canal and tertiary canal. During the period under review, 65 parcels were acquired. To date, a total of 879 parcels have acquired by the project for the irrigation facilities providing working corridor to the contractor until chainage 26+270 which is the end of main canal in block. As for land Acquisition/Compensation of PAPs for the remaining land parcels required for the IFMS Northern and Southern dyke, the project targeted to acquire a total of ,1089 parcels. Between June 2022 and July 2023, an additional 61 parcels of land (122 PAPs) along the dyke were made available, which translated to a total of 515 parcels so far acquired for IFMS.

iii) Indicate the absorption rate for each year since the commencement of the project.

	Loan amount	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Receipts from Government of Kenya							-
Proceeds from Domestic and Foreign Grants				-	-	-	-
Loan from External Development Partners		81,695,187	100,926,796	390,616,107	465,765,334	512,649,809	2,370,217,578
<b>TOTAL</b>	23,904,000,000	81,695,187	100,926,796	390,616,107	465,765,334	512,649,809	2,370,217,578
Absorption rate %		0.34%	0.004	2%	2%	2%	10%

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Summary of Overall Performance
Receipts from Government of Kenya	769,652,000	175,000,000	-	360,000,000	61,500,000	1,366,152,000
Proceeds from Domestic and Foreign Grants		170,466,567	19,773,723	32,665,528	-	279,560,133
Loan from External Development Partners	1,179,845,890	2,957,936,894	1,941,356,100	1,998,177,087	1,040,906,284	13,040,093,067
<b>TOTAL</b>	1,949,497,890	3,303,403,461	1,961,129,823	2,390,842,616	1,102,406,284	14,685,805,200
Absorption rate %	8%	14%	8%	10%	5%	61%



**Project Information and Overall Performance (Continued)**

- iv) List the implementation challenges and recommended next steps.

For land acquisition has still not been finalized and this continues to pose disruption to the Contractor's work schedule. Additionally, the construction of the flood mitigation structures is off-track from the project timelines. The key milestone deviation is the land availability which has directly affected the rate of works progress. Four months before project closure, no farmers have received irrigation access. Besides land acquisition, various safeguards, financing and work planning issues led to slower implementation of works. Without government counterpart funding to expedite land acquisition and civil works, it is unlikely the project will meet its objectives

**2.9 Summary of Project Compliance:**

- i) Include significant cases of non-compliance with applicable laws and regulations eg treasury circulars on project investment management, PFM Act 2012 and Kenya vision 2030 flagship projects, and essential external financing agreements/covenants,
- ii) Include consequences suffered on account of non-compliance or likely to be suffered.
- iii) Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance.



**Project information and overall performance (continued)**

**3. Statement of Performance against Project's Predetermined Objectives**

**Introduction**

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

The key development objectives of the project's agreement/ plan are to:

- a) To increase availability and productivity of irrigation water for project beneficiaries; and
- b) To Enhance the institutional framework and strengthen capacity for water security and climate resilience in certain regions of the country

**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. Attendant indicators were identified for reasons of tracking progress and performance measurement.

**Project information and overall performance (continued)**

Below we provide the progress on attaining the stated objectives:

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
	To increase the availability and productivity of irrigation water for project beneficiaries	Increase availability and productivity of irrigation water for communities in the Lower Nzoia Irrigation Scheme	Infrastructure to irrigate 2,385 hectares of land for sustainable production of food and high value Crops	The project continued with civil infrastructural works necessary for irrigation 2,385 ha. The progress now stands at 86.8% completion. Construction progress of both the Nyadorera Irrigation Management facility and the main Canal & Murram access road (km0+000- km21+800) stood at 98% by the end of June, while construction of the Bunyala Irrigation Management Facility and Main Canal

				structures (km0+000- km21+800) stood at 94% and 99% respectively
			Directly benefit approximately 20,000 people of whom about 12,600 people (2100households) are farmers	<ul style="list-style-type: none"> <li>• Progress has been made in agriculture support and value chain management with the quality inputs including clean healthy planting materials availed to farmers. A total of 240,000 clean planting materials of assorted crop species and</li> </ul>



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				<p>varieties were produced in the existing shade nets and distributed to approximately 200 farmers. Capacity building of farmers organizations (FPMGs and Cooperative Societies) and extension support to farmers was also delivered during the period with a total of 30 farmer producer and</p>
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				<p>marketing groups (FPMGs) and one cooperative society comprising 500 farmers (275M and 225F) trained. The FPMGs' training was focused on the strengthening their capacity in group development, agribusiness management, collective action and how to plan, conduct market analysis and respond to</p>
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				<p>market demands</p> <ul style="list-style-type: none"> <li>• Project trained 201(79F and 110 M) tertiary-based extension and value chain facilitators intending to enhance farmers access to extension services and expand markets for the Lower Nzoia Irrigation Project (LNIP). The trained Extension and Value Chain Facilitating (EVCFs) are in</li> </ul>
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				<p>turn facilitating the training of 148 FPMGs targeting 12,600 farmers along the 76 tertiaries.</p> <ul style="list-style-type: none"> <li>In the preparation of the Irrigation Water Users Association (IWUA) members register, 11,970 IWUA members have been registered with a target to enlist all the 12,600 beneficiaries as members.</li> </ul>
		Improve and strengthen	Rehabilitate 34kms of	Some works were

		<p>existing flood mitigation infrastructures (Dykes) to provide enhanced flood protection to the communities of the Lower Nzoia.</p>	<p>dykes to protect 65,000 people from the perils of floods</p>	<p>carried out for the type 2 murram access road; vehicle barriers; cross drainage structures; drainage canals were completed on the southern and Northern dykes. Cumulatively, the length of flood protection structures(dykes) rehabilitated (Km) to date is 34.45kkm protecting close to 65,397 from the perils of floods. Consequently, the project management for Lot 2 has gradually phased out since March 2023. The Taking Over Certificate (TOC) was</p>
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				issued on March 23,2023 with some works remaining. The Defects Liability Period (DLP) kicked in March 25,2023(EoT) and will run for 365 days.
		Improve livelihoods of the local communities through promotion of sustainable land and management practises and reduction of sediments loads in the lower Nzoia watershed	Area where land and water management processes have been practised as a result of the project-1450ha	Five water Resources Users Associations (WRUAs) were supported through the implementation of various land and water management practises to conserve additional 340.56ha of the watershed land in the Nzoia. The activities included riparian marking and pegging, terracing, gabion



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				<p>constructor and spring water protection. The total hectares protected to date stands at 1,791.16. The WRUAs and affiliate Community Based Organisations (CBOs) established at least 14 income-generating projects. In addition, members in the five WRUAs were trained on assorted crop and animal production technologies in order to facilitate intensification and diversification of these enterprises.</p>
		<p>Improve the capacity and knowledge base for basin-level water</p>	<p>105nee/upgraded monitoring stations (hydrologic, hydro-</p>	<p>While several activities under the subcomponent were either scaled down</p>

		resources management in Kenya, including integrated basin planning and mainstreaming climate resilience	meteorological and ground water)	or cancelled due to project restructuring resulting in the reduction of the subcomponent budget, the remaining few activities carried out during this reporting period included ground water Monitoring where eight wells were successfully drilled and work is ongoing on the remaining two wells. Additionally, Numerical Modelling training with 16 Water Resources Authority (WRA). Groundwater division staff was completed
	Support for Water Sector Transition and Reforms	Enhance the capacity of water sector institution	Water Act and Sector Policy adopted	<ul style="list-style-type: none"> <li>• Additional regulations under</li> </ul>

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		<p>to effectively perform their mandates and functions, thereby contributing both to meeting projects objectives and to improve the broader reform process</p>		<p>the Water Act Section 8(5) &amp;(6), an inter-ministerial committee on land compensation for the development of national public water works was formed with members from the Ministry of Water, Sanitation and Irrigation, Ministry of Land and National Land Commission</p> <ul style="list-style-type: none"> <li>• The National Water Policy was</li> </ul>
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				<p>aunched by the Cabinet Secretary on March 9,2022. As a consequence, guidelines for monitoring and Reporting of the National Water Policy implementation were developed</p>

*(Customize as per the project objectives)*

**Project Information and Overall Performance (Continued)**

**4. Environmental and Sustainability reporting**

The KWSCRCP is classified as Category A, has triggered the E&SSs as indicated in Table 2 below.

Table 2: Environmental and Social Safeguards and Safeguards Triggered in KWSCRCP

OB/BP	Safeguard	Policy Objectives	Triggered?	Reasons for Triggers
4.01	Environmental Assessment*	<ul style="list-style-type: none"> <li>• Help ensure the environmental and social soundness and sustainability of investments.</li> <li>• Support integration of environmental and social aspects of projects in the decision-making process.</li> </ul>	YES	Investments are likely to have potential significant adverse environmental impacts
4.04	Natural Habitats*	Promote environmentally sustainable development by supporting the protection, conservation, maintenance, & rehabilitation of natural habitats and their functions.	YES	Investments may be located in or close to areas with natural unique flora and fauna
4.09	Pest Management	Minimize and manage the environmental and health risks associated with pesticide use and promote and support safe, effective, and environmentally sound pest management.	YES	Invests in irrigation for agriculture purposes may use or cause to increased use of pesticides
4.11	Physical Cultural Resources (PCR)*	Assist in preserving PCR and in avoiding their destruction or damage. PCR includes resources of archaeological, paleontological, historical, architectural, and religious (including graveyards and burial sites), aesthetic, or other cultural significance.	YES	Invests. will involve construction of mega projects in the water sector and excavation activities can lead to impacts on PCRs
4.12	Involuntary Resettlement*	Avoid or minimize involuntary resettlement and, where this is not feasible, assist displaced persons in improving or at least restoring their livelihoods and standards of living in real terms relative to pre-displacement levels or to levels prevailing prior to the start of project implementation, whichever is higher.	YES	Investments may involve land take for construction purposes
4.20	Indigenous Peoples*	Design and implement projects in a way that fosters full respect for indigenous peoples' dignity, human rights, and cultural uniqueness and so	YES	Investments may be located in areas with vulnerable and marginalized



		that they (1) receive culturally compatible social and economic benefits, and (2) do not suffer adverse effects during the development process.		groups/people
4.36	Forests*	Realize the potential of forests to reduce poverty in a sustainable manner, integrate forests effectively into sustainable economic development, & protect the vital local & global environmental services and values of forests.	YES	Investments located in or close to areas with natural forests or affect forest catchments.
4.37	Safety of Dams	Ensure quality and safety in the design and construction of new dams & rehabilitation of existing ones, and in carrying out activities that may be affected by an existing dam.	YES	Investments like construction of dams for water & irrigating raises dam safety concerns
7.50	Project on International Water Ways	Ensure that the international aspects of a project on an international waterway are dealt with at the earliest possible opportunity and that riparian dwellers are notified of the proposed project and its details.	YES	Abstraction, diversion of water from targeted water bodies may trigger trans-boundary issues.
7.60	Projects in Disputed Areas	Ensure that other claimants to the disputed area have no objection to the project, or that the special circumstances of the case warrant the Bank's support of the project notwithstanding any objection or lack of approval by the other claimants.	NO	

The Table 3 below gives a summary of additional achievements made and non-compliances noted towards the end of the period under review.

Achievements made	Non compliances / Issues noted
<ul style="list-style-type: none"> <li>• Subjected drinking water to quality test</li> <li>• Provided all construction workers were with requisite PPEs including hard hats, gloves and hi viz clothing.</li> <li>• Dewatered structures within the Main Canal construction corridor;</li> <li>• Continues with community sensitization along the Main Canal construction corridor to address vandalism of structures;</li> <li>• Restored all borrow pits through full backfilling, partial backfilling and slope trimming.</li> </ul>	<ul style="list-style-type: none"> <li>• The contractor's Grievance Redress Committee failed to meet over the reporting month;</li> <li>• Decommissioned tools, vehicles and equipment are not properly stored at the campsite;</li> <li>• The borrow pit located at Km 23 along the Main canal is ponded with water and pose health and safety risks to members of the public;</li> <li>• Many grievances reported in the previous months remained unresolved;</li> </ul>



<ul style="list-style-type: none"> <li>• Displayed warning and cautionary signs within construction sites.</li> <li>• Routinely administered toolbox talks.</li> <li>• Provided First Aid kits of recommended size within construction areas in compliance with The Factories (First Aid) Rules, 1977;</li> <li>• Put in place measures to control access of construction sites by non-construction workers by permanently stationing security personnel within construction sites; and</li> <li>• Carried out community sensitization on GBV/VAC, SEAH, HIV/AIDS and conflict resolution.</li> </ul>	<p>and</p> <ul style="list-style-type: none"> <li>• Grievance tracking is not properly carried out</li> </ul>
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**1. Employee welfare**

The project employs a workforce that reflects the diverse community at large. It complies with equal opportunities legislation and always seeks to promote fair employment policies, within the framework of the Kenyan culture and laws. The project seeks, at all times, to employ the best candidate/firms for the job.

All levels of management are responsible for applying these policies and avoiding any form of discrimination. Consultants selected and treated on the basis of their abilities according to the requirements of the job and have equal opportunity to show their ability. The project is committed to the maintenance of a neutral working environment, in which no current or prospective employee staff/consultants are because of their gender, marital status, religious belief, colour, race, or ethnic/national origin. All advertisements and advertising material are reviewed to ensure they do not imply any intention to discriminate.

The project has an equality, diversity, and inclusion policy to ensure that no unjustifiable discrimination occurs against individuals based on their sex or individuals on the ground of

**Project information and overall performance (continued)**

disability in relation to recruitment, benefits, terms and condition of employment and dismissal.

Wherever possible, reasonable adjustments are made to the working environment to help a staff work conveniently.

**2. Market place practices-**

**a) Responsible Supply chain and supplier relations-**

Quotations will be sought from suppliers on the list of approved vendors on a competitive basis, and the best supplier offer will be selected to provide the required goods/services. The selected vendor is expected to provide supplies, services and works of acceptable quality, and have proven this at least once.

For procurement, Value for Money (VfM), transparency, economy, effectiveness, efficiency, and equity are the basic principles that are in procurement. Procurement is strictly compliant with government procurement procedures (e.g. in relation to value for money; tendering; due diligence). Purchases of goods and services are costed and evaluated for value for money (VfM).

**b) Responsible ethical practices**

The project upholds high technical, professional and safety standards. The project is committed to behaving ethically at all times and taking responsibility for the actions of staff/consultants when those actions are taken on behalf of the Ministry.

Where a credible allegation of bribery or corruption is made against a consultant or employee, he/she is specifically required by the terms of engagement with the project to participate fully and openly in all investigations undertaken. This can include the provision of full access to tax returns, bank records, and/or other relevant financial and personal data.

Moreover, measures are taken to mitigate against conflict between official duties and private interests. In line with the Ministry's Code of Conduct, all staff are required to disclose outside business interests or activities where these may conflict with or potentially damage the interests of the project.



**Project information and overall performance (continued)**

Additionally, staff and consultants who are nominated to evaluate quotations/proposals as a member of procurement committee must sign CoI form and declare if a real or apparent conflict of interest is involved.

**c) Community Engagements**

**Social safeguards Implementation**

**1.2.1. Land Acquisition**

By end June 2023, a total of 909 parcels out of a target of 971 parcels had been acquired from the intake works to the main canals from block 1 to 7. Under the secondary canal 8, a total of 112 parcels were compensated out of a total of 224 parcels within the reporting period. So far, no parcels have been compensated in blocks 9-14. The total number of PAHs from the intake to main canal 7 are 1,325, out of which 1,279 PAHs have been fully compensated and relocated, as shown in Table 5. This relocation has provided a total of 119 acres of land from the target of 129 acres. The funds disbursed to PAHs by NLC as at end of reporting period stood at Kshs 900,958,216. Furthermore, the National Treasury released the remaining Ksh 146,000,000 funds on in the financial year 2022/2023 required to compensate for the remaining land acquisition.



**Project information and overall performance (continued)**

Table 1: Land Acquisition Detailed Breakdown to Date

#	Project Component	Land Size (Ha)	Parcels Required	Parcels Acquired	Acquisition %	Remark
1	Intake – Diversions Weir, Headworks Canal, Emergency Weir	56.6	158	154	97%	Fully acquired
2	Main Canal in Block 1	10.4	93	91	98%	Fully acquired
3	Main Canal in Block 2	18.5	145	143	99%	Fully acquired
4	Main Canal in Block 3	11.0	156	156	99%	Fully acquired
5	Main Canal in Block 4 (a)	17.6	160	159	99%	Fully acquired
6	Main Canal in Block 4 (b) – Kabura School Re-alignment	3.3	33	32	99%	Fully acquired
7	Main Canal in Block 5	7.0	87	86	99%	Fully acquired
6	Main Canal in Block 6	0.17	15	14	99%	Fully acquired
7	Main Canal in Block 7	7.5	124	123	99%	Fully acquired
8	Secondary Canal 8	4.6	224	213	98%	Fully acquired

**1.2.2. Resettlement**

The following activities were undertaken by RIC during the reporting period: frequent visits to vulnerable PAHs by the RIC social workers; transition support for vulnerable persons; support in

### **Project information and overall performance (continued)**

identification of areas for resettlement for fully displaced persons, monitoring of reconstruction and restoration of livelihoods. The majority of the PAHs pursued to maintain social networks by buying land in the same villages as PAHs who were partially displaced re-constructed on the same parcels of land. Notably, PAHs in RAP1 bought larger parcels of land than they initially owned.

It is observed that RIC did not guide the PAHs on how to utilize the money they received, but rather gave them knowledge on savings, household budgeting, investment among others to make wise choices on expenditure. This capacity building enabled the PAHs to utilize the compensation funds well as evident in the audit on nature and size of owned houses before and after compensation. This also applied to the sizes of land purchased.

During the land acquisition process, the Luhya and Luo cultures were strictly observed. For instance, if the land acquisition process affected the gate of the homestead, all the structures within the homestead had to be compensated and the entire homestead relocated.

#### **1.2.3. Grievances Redress Mechanism (GRM)**

The RIC operationalized the GRM as provided for in the RAP. The GRM in LNIP is organized into 11 levels /locations. The project is divided into 14 blocks; each block with a grievance Redress Committee headed by the Chairman and supported by the Chief and the Assistant Chief; the national government administrative heads. The other level of GRM is the subcounty level headed by the Deputy County Commissioner (DCC). DCCs have been helpful in supporting the local level GRCs to resolve protracted family disputes. RIC has made use of these two levels of GRM to support the Block GRCs to resolve grievances related to land acquisition and compensation. The other level is the project level which handles any grievances related to project deliverables.

Several delays have been experienced that slowed down land acquisition and compensation process and consequently project milestones. Some PAHs also opted to take their cases to court because the concerned families could not agree even with the help of the GRCs.

The RIC supported the GRM process by training the first level GRCs on how to handle



**Project information and overall performance (continued)**

grievances impartially manner, respect for PAHs, and the process of registering and closing grievances. The GRCs were given forms which they fill after the grievances have been closed making sure that representatives from both parties sign and the chief stamps. The RIC also facilitates GRC members to attend meetings and NLC functions.

In RAP 2, a total of 42 grievances were received, 36 of which were resolved (85.7%). In RAP 3, between Blocks 1-14, 152 grievances were received, 135 of which were resolved (88.8%). Only 2 grievances were pending in RAP 1 as at end June 2023.

**Table 2: Summary of GRM milestones**

<b>Project Component</b>	<b>Grievances Received</b>	<b>Grievances Resolved</b>	<b>Pending as at June 30<sup>th</sup> 2023</b>
Main Canal Blocks 1 to 4	91	91	Nil
Main Canal Blocks 5 to 7	11	8	3
Secondary Canal Blocks 6 to 14	20	12	8
Dykes (Northern and Southern)	42	32	10 (these fall in the parcels to be deleted)

**1.2.4. Livelihood Restoration Activities**

Socio-economic surveys were already conducted to assess livelihood restoration activities. LRPs for the 3 RPS were written. It was observed that a majority of PAHs are engaged in agriculture (crop and livestock husbandry) hence their livelihood is mainly based on production and sale of crop and livestock products. Since the PAHs are smallholder farmers, producing mainly for household consumption with small portion of produce ending up in local markets. Those PAHs participating in Bunyala irrigation Scheme produce rice mainly for commercial purposes while those that live near water bodies practice fishing.

The LNIP project was designed with agricultural component undertaken by ISC. During the reporting period, RIC performed the following livelihood activities.

- a) Monitoring the use of compensation money



**Project information and overall performance (continued)**

- b) Linking PAHs to ISC
- c) Financial management training
- d) HIV/AIDs prevention and Care training

420 PAPs comprising 25% have benefitted from non-cash -based livelihood restoration activities. Non-land-based livelihood was aimed at providing skills and training to all the PAHs in order to transition into alternative livelihoods, or the scaling up of existing non-land-based livelihoods.

**A) Monitoring PAHs use of compensation money**

An important part of livelihood restoration included land compensation as well as compensation of improvements affected by the project. Land is recognized as an important source of livelihood hence its compensation enables the PAHs to continue with their use of land for agricultural activities. PAHs were also compensated for affected crops and trees as well as structures. Trees are planted in the project area for various purposes including as a source of construction materials, income and firewood. Compensation for crops ensures that any money spend to buy inputs and pay for labour costs are used to plant other crop(s) after resettlement. During the period under review, PAHs who were compensated were able to continue with their livelihood activities. After replacing assets affected by the project, extra monies were used to purchase water pumps for pumping water to grow high value crops as well as to the rest of their farms.

**B) Linking PAHs to agricultural capacity enhancement project implemented by ISC**  
RIC working closely with ISC has ensured that PAHs also benefit from the agricultural component activities. Consequently, several agricultural capacity enhancement programs have been undertaken by the ISC targeting the PAHs as the project beneficiaries. The livelihood restoration activities implemented during the reporting period included:

- Extension and Training: Kenya Plant Health Inspection Service (KEPHIS) and MOA conducted rice seed bulking training.
- Establishment of Model Farm: ISC established model farms to train on modern farming methods, agronomic practices, crop management, etc;
- Farmer Field Days: were held to showcase various technologies and improved seeds to farmers;

**Project information and overall performance (continued)**

- Sustainable Rice Intensification-practices to enhance rice production through improved inputs and establishment of modern post-harvest technologies and rice mill; and
- Formation and training of Irrigation Water Users Associations (IWUAs)

During the reporting period, 178 PAPs were trained in Blocks 1-4 (B 1=35, B2=97, B3=,30 B4=16) and 97 farmers from PAHs have been trained in Blocks 5-7.

Besides undergoing training, farmers from PAHs were also supported to grow high value crops and gain access to markets. Among them included 25 PAPs who were trained by ISC in block 11, 10 and 14 to produce pumpkin for a target market. In addition, 31 PAPs were among 82 farmers from block 8 and 12 who were supported to grow soya beans also for market.

**C) Financial Literacy / Management Training**

Analyses of the socio-economic profile of the PAHs indicated low literacy levels where majority of them were either secondary school leavers or drop-outs with no additional skills. As a mitigation, imparting skills in financial management among the PAHs was one of the critical measures recommended in the RAP reports to ensure wise use of the compensation money. To this end, PAHs were trained by RIC on financial Management before they received compensation money.

The training covered a number of critical areas, but key included basic literacy; basic numeracy skills, money management and basic household budgeting; and savings and strategic cash management. This training was aimed at equipping the PAHs with basic skills to enable them effectively manage the cash they would receive through compensation. Money management has been a gap experienced in many projects where people received cash compensation without skills to handle large sums of money. In the reporting period, 620 PAPs were trained in Blocks 1-8 while 521 PAPs were trained in both northern and southern dykes.

**d) HIV/AIDS prevention and Care training**

RIC with support from MOH staff from both Siaya and Busia counties, also provided training on HIV/AIDS prevention to raise awareness and trigger change in sexual behaviour; acknowledging the high prevalence of the disease in the two counties that make up the project area. This was



**Project information and overall performance (continued)**

important given the circulation of compensation money that would expose PAHs to infection.

During the period, 650 PAPs were trained on HIV/AIDS prevention care management from Block1-8 and in ND and SD. The training involved awareness creation, encouraging people to go for testing services and linking them to existing HIV related services such as HTC, PrEP, PEP and joining of PLHIV support groups and seeking treatment where necessary. All PAHs received HIV prevention and care training which involved awareness creation, encouraging people go for testing services and linking them to existing HIV related services. The turnout in the training session was often low due to stigma (people associating the training with victims or relatives of victims) and the fact that such trainings are common in the two counties.



## **5. Statement of Project Management responsibilities**

The Principal Secretary for the Ministry of Water, Sanitation and Irrigation, State Department of Water and the Project Manager for Kenya Water Security and Climate Resilience project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 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 project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (vi) Making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for the Ministry of Water, Sanitation and Irrigation, State Department of Water and the Project Manager for Kenya Water Security and Climate Resilience Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the Ministry of Water Sanitation and Irrigation, State Department of Water and the Project Manager for Kenya Water Security and Climate Resilience project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2023, and of the Project's financial position as at that date. The Principal Secretary for Ministry of Water, Sanitation and Irrigation, State Department of Water and the Project Manager for Kenya Water Security and Climate Resilience project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

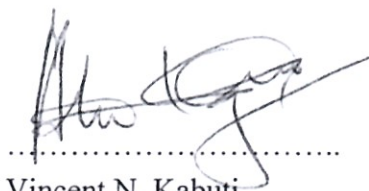
The Principal Secretary for the Ministry of Water, Sanitation and Irrigation, State Department of Water and the Project Manager for Kenya Water Security and Climate Resilience project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Project Financial Statements**

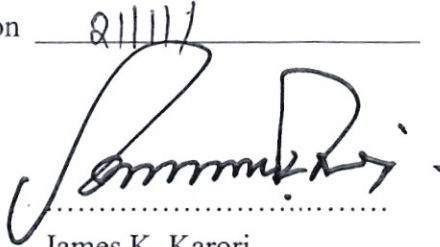
The Project financial statements were approved by the Principal Secretary for the Ministry of Water, Sanitation and Irrigation, State Department of Water and the Project Manager for Kenya Water Security and Climate Resilience project on 21/11/2023 and signed by:



Julius Korir  
Principal Secretary



Vincent N. Kabuti  
Project Manager



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



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## REPORT OF THE AUDITOR-GENERAL ON KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT (GRANT NO. TFOA0761A AND CREDIT NO.5268/5674-KE) 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and 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 Kenya Water Security and Climate Resilience Project set out on pages 1 to 39, 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 Kenya Water Security and Climate Resilience Project 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 Public Finance Management Act, 2012 and the Financing Agreement Grant No.TFOA0761A and Credit No. 5268/5674-KE dated 7 September, 2015 between International Development Association (IDA) and the Republic of Kenya.

### Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Water Security and Climate Resilience Project 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

There were issues raised in the audit report for 2020/2021 financial year of which no report or recommendations from the Project Management and oversight bodies were submitted for audit verification and clearance. Further, the issues remain unresolved contrary to Section 68(2)(l) of the Public Finance Management Act, 2012 which require



Accounting Officers designated for National Government entities to try to resolve any issues resulting from an audit that remain outstanding.)

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

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.1,796,000,000 and Kshs.1,115,060,876, respectively, resulting in under-funding of Kshs.680,939,124 or 38% of the budget. Similarly, the Project spent Kshs.1,372,081,849 against the budgeted amount of Kshs.1,796,000,000 resulting in under-expenditure of Kshs.423,918,150 or 24% of the budget.

The under-funding and under-expenditure is an indication that the Project's objectives may not be achieved and may impact negatively on service delivery to the public.

## **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. Excessive Payment of Claims and Interest Rates - Lot 1 Project**

Review of tender reference number MOWI/KWSCR-1/020B/2016-2017 awarded by the Ministry to an International Company revealed that, the Management has incurred an expenditure of Kshs.275,774,871. The amount includes interest on late payment and claims by the contractor for idle time amounting to Kshs.60,973,613 and Kshs.214,801,257, respectively. However, this could have been avoided if the Management paid the contractor claims on time considering the Projects funds are available and if the issue of land acquisition was resolved before the project commenced. Further, physical inspection conducted in the month of October, 2023 revealed that the overall work completion was approximately 67% based on the original bill of quantities. Though the revised projected completion time was 27 September, 2023, no evidence of revised extension of time from 27 September, 2023 was provided for audit review.

In the circumstances, the Project may not realize the intended objectives and may result in continuous price escalation above the approved budget.



## **2. Excess Expenditure on Claims and Interests -Lot 2 Project**

The Ministry of Water, Irrigation and Sanitation entered into contract agreement with an International Company for construction works of the Lower Nzoia Project Lot 2 Improvement of flood Mitigation Structures at a contract sum of Kshs.1,412,667,909 on 22 November, 2017. The Project Management paid the Company an amount of Kshs.14,002,597 for construction works under Lot 2 project. Review of payments made revealed that the contractor had been paid an amount of Kshs.7,313,052 and USD 89,401 cumulatively, being interest on late payments and another payment amounting to Kshs.4,728,819 and USD 303,340 being claims on idle time. The Project Management has not put in place, adequate measures to prevent additional costs on claims and interests.

In the circumstances, the Project's objectives may not be achieved due to delay in project completion resulting in increase in project costs and the value for money may not be realized.

## **3. Unjustified Price Adjustment – Lot 2 Project**

The statement of receipts and payments reflects acquisition of assets amount of Kshs.1,291,614,810 as disclosed in Note 8 to the financial statements which includes an amount of Kshs.754,191,068 being construction of civil works. Review of the Project revealed that on 22 November, 2017, the Ministry of Water, Irrigation and Sanitation through Kenya Water Security and Climate Resilience Project entered into contract agreement with a Company for construction works of the Lower Nzoia Project Lot 2 for Improvement of flood Mitigation Structures at a contract sum of Kshs.1,412,667,909.

The Project commenced on 12 June, 2018 with an expected original completion date of 11 June, 2020, which was further revised to 23 December, 2022. The takeover certificate was issued to the Contractor on 24 March, 2023. However, payment certificate no.13 reflects cumulative payment amounting to Kshs.109,161,136 for price adjustments arising from delay in the project completion from the original amount of Kshs.25,764,633 by a unjustified variation of Kshs.83,396,502 or 324%.

In the circumstances, the Project may not realize the intended objectives and may result in continuous price escalation above the approved budget.

## **4. Delay in Resettlement of Persons**

The statement of receipts and payment reflects acquisition of non-financial assets amount of Kshs.1,291,614,810 as disclosed in Note 8 to the financial statements which includes an amount of Kshs.19,652,436 paid to the Consultancy Company engaged by the Ministry of Water, Sanitation and Irrigation to provide consultancy services at a contract price of Kshs.87,028,965. The contract commenced on 25 November, 2019 for handling and facilitating the Project Affected Persons Resettlement Action Plan – Lower Nzoia Irrigation Project for a duration of twelve (12) months with a completion date of 18 November, 2020.



However, the contract duration was extended to 17 January, 2023 and a further extension to 30 September, 2023 totalling to three (3) years of extension period with no additional costs.

However, physical inspection conducted in the month of October, 2023, revealed that the resettlement of the affected persons had not been completed even after payments to the consultant totalling to Kshs.65,407,500 (approximately 75% of the contract price). At the time of project's commencement, the land owners had not transferred the parcels of lands for the irrigation project. It is not clear why land acquisition was not prioritized before the contract was signed. Full settlement of all affected persons has not been made seven (7) years after the project commenced.

In the circumstances, delay in the settlement process has resulted in delayed completion of the project, high constructions cost and price variations.

## **5. Poor Project Management of Contract Leading to High Price Escalation**

The statement of receipts and payment reflects acquisition of non-financial assets amount of Kshs.1,291,614,810 as disclosed in Note 8 to the financial statements which includes an amount of Kshs.311,907,123 in respect of research studies, project preparation, design and supervision. Included in the expenditure is an amount of Kshs.204,858,666 paid to an Engineering Company. The contract between the Company and the Ministry was signed on 4 October, 2016 at a contract sum of Kshs.547,066,287 excluding indirect taxes amounting to Kshs.87,530,606, EUR. 2,938,554 and EUR.470,168 in separate accounts. The contract was for providing supervision and consulting services in the construction of Lower Nzoia Irrigation Project Lot 1 which a commenced of 7 December, 2017 and a completion date of 7 May, 2023.

Physical inspection conducted in the month of October, 2023, revealed the following issues;

- i. High price escalation due to delay in completion of consultancy and construction works. The works have not yet been completed and it's almost 67% based on the original contract though the completion date of the contract was 7 May, 2023.
- ii. Various addendums were raised leading to high contract price escalations. Based on Addendum No. 16 signed on 18 July, 2023, the revised contract price was raised to a contract sum of Kshs.906,664,605 and indirect tax amount of Kshs.145,066,337 and EUR.4,943,349 which includes taxes. This resulted to a significant price escalation of Kshs.359,598,318 (66%) and EUR.1,534,627(45%) respectively.
- iii. After the expiry of the contract between the Project and the consultant, the Ministry through Addendum No. 16 extended the contract to 30 September, 2023. At the time of the field inspection in the month of October, 2023, there was no valid contract extension between the Project/ Ministry.



- iv. Due to delay in Project completion, the construction works had not been completed leading to a significant increase in construction cost of Kshs.753,826,598 (19%) from Kshs.3,873,317,854 to Kshs.4,627,144,452.48 for Lot 1 as per Payment Certificate No. 18B.
- v. Infrastructure to irrigate block 6 to 14 had not been constructed. This implies that massive investment done in the intake and main canal at the upstream of the scheme cannot be fully utilized to accomplish the Project objectives. The secondary canal no. 8 to Bunyala had not been constructed and therefore the objective of changing to the gravity supply of water for the scheme at extra costs may also not be realized.

In the circumstances, the Project's objectives may not be achieved due to delay in project completion thus the value for money may not be realized.

## **6. Lack of Documents to Confirm Payments of Compensation Funds**

The statement of receipts and payments reflects acquisition of non-financial assets amount of Kshs.1,291,614,810 as disclosed in Note 8 to the financial statements which includes an amount of Kshs.184,049,893 in respect of acquisition of land. Included in the expenditure is an amount of Kshs.221,500,000 transferred to the National Land Commission for compensating farmers displaced by Lower Nzoia Irrigation and Flood Mitigation Structures Project. However, the following supporting documents were not provided for audit.

- i. Compensation Schedule of PAPs indicating plot numbers, details of payee with cheque numbers and their national Identity Card Numbers for all Canals in Busia and Siaya (Lower Nzoia County).
- ii. Land valuation reports schedules for all the lands compensated to affected persons as per the National Land Commission.
- iii. Current Land Compensation status specifically of those affected by Kenya Water Security and Climate Resilience Project.

In the circumstances, it was not possible to confirm whether the funds were paid to the intended persons and whether value for money was obtained from the expenditure.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 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 comply 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, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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

As required by Financing Agreement Grant No. TFOA0761A and Credit No.5268/5674-KE, dated 7 September, 2015 between International Development Association (IDA) and the Republic of Kenya, I report based on my audit, that:

- 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 Project, so far as appears from the examination of those records; and,
- iii. The Project'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 International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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



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

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

Those charged with governance are responsible for overseeing the Project'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 overall 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 of Kenya. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may



occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal 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 Project's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to 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 Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

28 November, 2023

7. Statement of Receipts and Payments for the year ended 30th June 2023.

	No te	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to- date (From inception)
2022/2023				2021/2022				
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<b>Receipts</b>								
Transfer from Government entities	1	61,500,000	-	61,500,000	360,000,000	-	360,000,000	1,366,152,000
Proceeds from domestic and foreign grants	2	-	-	-	32,665,528	-	32,665,528	279,560,133
Loan from external development partners	3	424,125,000	616,781,284	1,040,906,284	692,349,122	1,305,827,965	1,998,117,087	13,040,093,360
Miscellaneous receipts	4	12,654,592	-	12,654,592	16,789,015	-	16,789,015	109,054,993
<b>Total receipts</b>		<b>498,279,592</b>	<b>616,781,284</b>	<b>1,115,060,876</b>	<b>1,101,803,665</b>	<b>1,305,827,965</b>	<b>2,407,631,630</b>	<b>14,794,860,486</b>
<b>Payments</b>								
Compensation to employees	5	360,687	-	360,687	1,694,470	-	1,694,470	18,561,394
Purchase of goods and services	6	80,106,353	-	80,106,353	112,065,464	-	112,065,462	293,749,103
Social security benefits	7	-	-	-	-	-	-	-
Acquisition of non-financial assets	8	674,833,526	616,781,284	1,291,614,810	1,004,265,940	1,305,827,965	2,310,093,905	15,598,346,990
Transfers to other government entities	9	-	-	-	-	-	-	-
Other grants and transfers /payments	10	-	-	-	-	-	-	16,996,739
<b>Total payments</b>		<b>755,300,566</b>	<b>616,781,284</b>	<b>1,372,081,849</b>	<b>1,118,025,871</b>	<b>1,305,827,965</b>	<b>2,423,853,836</b>	<b>15,927,654,227</b>
<b>Surplus/ (deficit)</b>		<b>(257,020,974)</b>	<b>-</b>	<b>(257,020,974)</b>	<b>(16,222,206)</b>	<b>-</b>	<b>(16,222,206)</b>	<b>(1,132,793,741)</b>

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

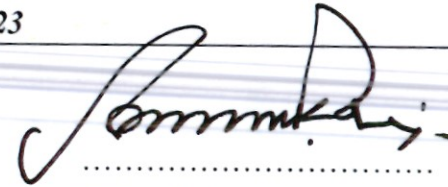
*Kenya Water Security and Climate Resilience Project  
Annual Report and Financial Statements for the financial year ended June 30, 2023*



Julius Korir  
Principal Secretary



Vincent N. Kabuti  
Project Manager



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

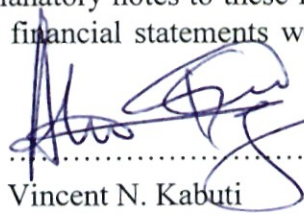


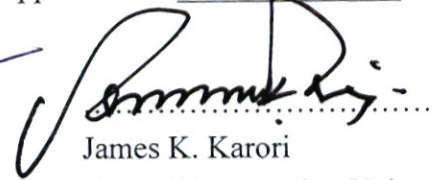
8. Statement of Financial Assets as at 30<sup>th</sup> June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and Cash equivalents</b>			
Bank Balances	11.A	256,453,781	545,375,898
Cash Balances	11. B	-	-
Cash equivalents (Short-term deposits)	11.C	-	-
<b>Total Cash and Cash equivalents</b>		<b>256,453,781</b>	<b>545,375,898</b>
Imprests and Advances	12	177,281,103	136,879,144
<b>Total Financial Assets</b>		<b>433,734,884</b>	<b>682,255,044</b>
<b>Financial Liabilities</b>			
Third party Deposits and Retention	13	464,729,588	456,228,775
<b>Net Assets</b>		<b>(30,994,705)</b>	<b>226,026,269</b>
<b>Represented By</b>			
Fund Balance B/fwd.	14	226,026,269	242,248,475
Prior Year adjustments	15	-	-
Surplus/(Deficit) for the Year		(257,020,974)	(16,222,206)
<b>Net Financial Position</b>		<b>(30,994,705)</b>	<b>226,026,269</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 21/11 2023 and signed by:

  
.....  
Julius Koin  
Principal Secretary

  
.....  
Vincent N. Kabuti  
Project Manager

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

*Kenya Water Security and Climate Resilience Project*  
*Annual Report and Financial Statements for the financial year ended June 30, 2023*

**9. Statement of Cashflow for the year ended 30<sup>th</sup> June 2023**

Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Cashflow from operating activities</b>			
<b>Receipts</b>			
Transfer from government entities	1	61,500,000	360,000,000
Proceeds from domestic and foreign grants	2	-	32,665,528
Miscellaneous receipts	4	12,654,592	16,789,015
<b>Total receipts</b>		<b>74,154,592</b>	<b>409,454,543</b>
<b>Payments</b>			
Compensation of employees	5	(360,687)	(1,694,470)
Purchase of goods and services	6	(80,106,353)	(112,065,464)
Social security benefits	7	-	-
Transfers to other government entities	9	-	-
Other grants and transfers	10	-	-
<b>Total Payments</b>		<b>(80,467,040)</b>	<b>(113,759,933)</b>
<b>Net receipts/(payments)</b>		<b>(6,312,447)</b>	<b>295,694,609</b>
<b>Adjustments during the year</b>			
Prior year adjustments	15	-	-
Decrease/(increase) in accounts receivable	16	(40,401,957)	(105,781,959)
Increase/(decrease) in accounts payable:	17	8,500,815	186,870,810
<b>Net cash flow from operating activities</b>		<b>(31,901,142)</b>	<b>81,088,851</b>
<b>Cashflow from investing activities</b>			
Acquisition of non-financial assets	8	(1,291,614,809)	(2,310,093,905)
<b>Net cash flows from investing activities</b>		<b>(1,291,614,809)</b>	<b>(2,310,093,905)</b>
<b>Cash flow from financing activities</b>			
Proceeds from foreign borrowings	3	1,040,906,284	1,998,177,087



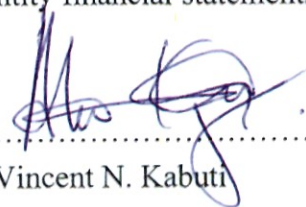
**Kenya Water Security and Climate Resilience Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
Net cash flow from financing activities		1,040,906,284	1,998,177,087
Net increase in cash and cash equivalents		(288,922,116)	64,866,643
<b>Cash and cash equivalent at beginning of the year</b>	<b>11</b>	<b>545,375,898</b>	<b>480,509,254</b>
<b>Cash and cash equivalent at end of the year</b>	<b>11</b>	<b>256,453,781</b>	<b>545,375,898</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 21/11/2023 and signed by:



Julius Korir.  
Principal Secretary



Vincent N. Kabuti  
Project Manager




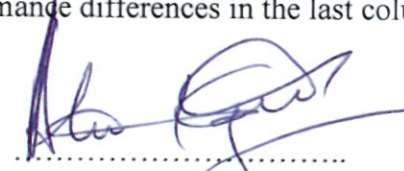
James K. Karori  
Head of Accounting Unit  
ICPAK Member No:3972

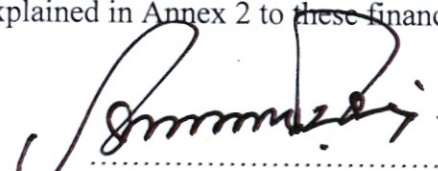
10. Statement of Comparison of Budget and Actual amounts for year ended 30<sup>th</sup> June 2023

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Transfer from Government entities	246,000,000	(100,000,000)	146,000,000	61,500,000	84,500,000	58%
Proceeds from domestic and foreign grants	-	-	-	-	-	-
Proceeds from borrowings	1,708,000,000	(58,000,000)	1,650,000,000	1,040,906,284	609,093,716	37%
Miscellaneous receipts				12,654,592	(12,654,592)	100%
<b>Total Receipts</b>	<b>1,954,000,000</b>	<b>(158,000,000)</b>	<b>1,796,000,000</b>	<b>1,115,060,876</b>	<b>680,939,124</b>	<b>38%</b>
<b>Payments</b>						
Compensation to employees	300,000		300,000	360,687	(60,687)	20%
Purchase of goods and services	500,000,000		500,000,000	80,106,353	419,893,648	84%
Social security benefits						
Acquisition of non-financial assets	1,453,700,000	(158,000,000)	1,295,700,000	1,291,614,810	4,085,191	0%
Transfers to other government entities						
Other grants and transfers						
<b>Total Payments</b>	<b>1,954,000,000</b>	<b>(158,000,000)</b>	<b>1,796,000,000</b>	<b>1,372,081,849</b>	<b>423,918,150</b>	<b>24%</b>
<b>Surplus or Deficit</b>	-	-	-	<b>(257,020,974)</b>		

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.

  
Julius Korir  
Principal Secretary

  
Vincent N. Kabuti  
Project Manager

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



## **11. Significant Accounting Policies**

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

### **a) Statement of compliance and basis of preparation**

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

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

### **b) Reporting entity**

The financial statements are for Kenya Water Security and Climate Resilience under the State Department of Water. The financial statements are for the reporting entity Kenya Water Security and Climate Resilience Project as required by Section 81 of the PFM Act, 2012 .

### **c) Reporting currency**

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

### **d) Recognition of receipts**

Kenya Water Security and Climate Resilience Project recognises all receipts from the various sources when the event occurs, and the related cash has been received.

### **e) Transfers from the Exchequer**

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

**Significant Accounting Policies (continued)**

**i) External Assistance**

External assistance is monies received through grants and loans from multilateral and bilateral development partners.

**ii) Other receipts**

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

**iii) Donations and grants**

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

**iv) Proceeds from borrowing.**

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

**v) Undrawn external assistance**

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



**Significant Accounting Policies (continued)**

**f) Recognition of payments**

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

**i) Compensation to employees**

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

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

**iv) Repayment of borrowing (principal amount)**

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

**Significant Accounting Policies (continued)**

**v) Acquisition of fixed assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

**g) In-kind donations**

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

**h) Cash and cash equivalents**

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



**Significant Accounting Policies (Continued)**

**i) Restriction on cash**

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

**j) Imprests and Advances**

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

**k) Contingent Liabilities**

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of

**Significant Accounting Policies (Continued)**

resources embodying economic benefits or service potential is remote. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

**l) Contingent Assets**

Kenya Water Security and Climate Resilience Project does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Kenya Water Security and Climate Resilience Project in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**m) Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' 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.

**n) Budget**

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



**Significant Accounting Policies (Continued)**

for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements*.

**o) Third party payments**

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

**p) Exchange rate differences**

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

**q) Comparative figures**

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

**r) Subsequent events**

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2023.

**Significant Accounting Policies (Continued)**

**s) Prior period adjustments**

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented *in note xx of these financial statements.*



## 12. Notes to the Financial Statements

### 1. Transfers from Government entities

These represent counterpart funding and other receipts from government as follows:

Description	2022-2023	2021-2022	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
<i>Counterpart funding through Ministry of Water, Sanitation and Irrigation state Department of Water</i>			
Counterpart funds Quarter 1		240,000,000	809,652,000
Counterpart funds Quarter 2	61,500,000	120,000,000	515,000,000
Counterpart funds Quarter 3	-	-	-
Counterpart funds Quarter 4	-	-	41,500,000
<b>Total (See Annex 3)</b>	61,500,000	360,000,000	1,366,152,000
<b>Total</b>	<b><u>61,500,000</u></b>	<b><u>360,000,000</u></b>	<b><u>1,366,152,000</u></b>

*[Provide explanation as necessary noting that "Other transfers from government entities" is not the counterpart funding which is the government's share of contribution towards the implementation of the project as mandated by the Project Agreement.]*

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

**2. Proceeds From Domestic and Foreign Grants**

During the financial period to 30 June 2023, we received grants from donors as detailed in the table below:

Name of Donor	FY2022/2023						FY2021/2022	Cumulative to date
	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	
			Kshs	Kshs	Kshs	Kshs	Kshs	
Grants Received from Bilateral Donors (Foreign Governments)	-	-	-	-	-	-	-	-
Insert name of foreign Government								
Grants Received from Multilateral Donors (International Organizations)	-	-	-	-	-	-	-	-
Korean-WB Trust Fund							279,560,133	279,560,133
Grants Received from Local Individuals and organizations	-	-	-	-	-	-	-	-
Insert name of individual or local organization								
Total	-	-	-	-	-	-	279,560,133	279,560,133

(\* The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure that adequate support documents are requested from the donors to support this grant).



**Kenya Water Security and Climate Resilience Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

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

**3. Loan from External Development Partners**

During the financial period to 30 June 2023, we received funding from development partners in form of loans negotiated by the National Treasury as detailed in the table below:

Description  Name of Donor	FY 2022/2023					FY 2021/2022	Cumulative to date
	Date received	Amount in loan currency	Loans received in actual amount	Loans received as direct payment*	Total amount in Kshs	Total amount in Kshs	
		(Insert currency)	Kshs	Kshs	Kshs	Kshs	
Loans received from Multilateral Donors (International Organizations)							
IDA donor Funds			127,000,000		127,000,000	9,136,274	
IDA donor Funds			127,000,000		127,000,000	221,992,550	
IDA donor Funds			43,125,000		43,125,000	247,464,180	
IDA donor Funds (A.I.A)			81,365,000		81,365,000		
IDA donor Funds (A.I.A)			45,635,000		45,635,000		
IDA donor Funds (A.I.A)				120,483,767	120,483,767		
IDA donor Funds (A.I. A)				34,330,208	34,330,208	71,081,263	
IDA donor Funds (A.I.A)				91,785,425	91,785,425	213,756,118	
IDA donor Funds (A.I. A)				22,946,356	22,946,356	194,951,662	
IDA Donor Funds (A.I.A)				45,714,365	45,714,365	1,014,622,556	
IDA Donor Funds (A.I.A)				49,594,297	49,594,297	6,926,520	
IDA Donor Funds (A.I.A)				54,255,946	54,255,946	7,843,680	
KfW				21,087,747	21,087,747	7,843,680	
Kfw				84,350,989	84,350,989	100,960,137	

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Description	FY 2022/2023					FY 2021/2022	Cumulative to date	
	Name of Donor	Date received	Amount in loan currency	Loans received in actual amount	Loans received as direct payment*	Total amount in Kshs		Total amount in Kshs
			(Insert currency)	Kshs	Kshs	Kshs		Kshs
Loans received from Multilateral Donors (International Organizations)								
KfW					18,573,926	18,573,926		
KfW					4,643,482	4,643,482		
KfW					34,375,236	34,375,236		
KfW					8,593,809	8,593,809		
KfW					1,359,316	1,359,316		
KfW					2,280,979	2,280,979		
KfW					1,563,931	1,563,931		
KfW					2,176,744	2,176,744		
KfW					1,370,398	1,370,398		
KfW					2,096,927	2,096,927		
KfW					1,395,708	1,395,708		
KfW					2,054,310	2,054,310		
KfW					1,542,236	1,542,236		
KfW					1,981,821	1,981,821		
KfW					1,489,797	1,489,797		
KfW					2,731,285	2,731,285		
KfW					1,376,861	1,376,861		
KfW					2,615,418	2,615,418		
<b>Total</b>				<b>424,125,000</b>	<b>616,781,284</b>	<b>1,040,906,284</b>	<b>1,998,177,087</b>	
							<b>13,040,093,360</b>	



Notes to the Financial Statements (Continued)

4. Miscellaneous receipts

Description	FY 2022/2023			FY 2021/2022	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	Total receipts	
	Kshs	Kshs	Kshs	Kshs	Kshs
Property income	-	-	-	-	-
Sales of goods and services	-	-	-	-	-
Administrative fees and charges	-	-	-	-	-
Fines, penalties, and forfeitures	-	-	-	-	-
Voluntary transfers other than grants	-	-	-	-	-
Other receipts not classified elsewhere*	12,654,592	-	12,654,592	16,789,015	109,054,993
<b>Total</b>	<b>12,654,592</b>	<b>-</b>	<b>12,654,592</b>	<b>16,789,015</b>	<b>109,054,993</b>

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

**5. Compensation to Employees**

Description	2022/2023			2021/2022	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	
-	Kshs	Kshs	Kshs	Kshs	Kshs
Basic salaries of permanent employees	-	-	-	-	6,499,335
Basic wages of temporary employees	360,687	-	360,687	1,694,470	12,062,060
Personal allowances paid as part of salary	-	-	-	-	-
Personal allowances paid as reimbursements	-	-	-	-	-
Personal allowances provided in kind	-	-	-	-	-
Pension and other social security contributions	-	-	-	-	-
Compulsory national social security schemes	-	-	-	-	-
Compulsory national health insurance schemes	-	-	-	-	-
Social benefit schemes outside government	-	-	-	-	-
Other personnel payments	-	-	-	-	-
<b>Total</b>	<b>360,687</b>	<b>-</b>	<b>360,687</b>	<b>1,694,470</b>	<b>18,561,395</b>



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Notes to the Financial Statements (Continued)

6. Purchase of Goods and Services

Description	2022-2023			2021-2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	
Utilities, supplies and services	-	-	-	-	11,946,345
Communication, supplies and services	-	-	-	1,812,856	3,100,051
Domestic travel and subsistence	57,853,305	-	57,853,305	70,822,538	185,909,143
Foreign travel and subsistence	-	-	-	-	-
Printing, advertising, and information supplies	1,911,276	-	1,911,276	3,887,995	7,769,854
Rentals of produced assets	-	-	-	2,204,257	3,320,913
Training payments	-	-	-	-	-
Hospitality supplies and services	7,154,642	-	7,154,642	10,953,851	26,516,740
Insurance costs	-	-	-	-	180,850
Specialized materials and services	1,559,627	-	1,559,627	2,086,415	3,646,042
Other operating payments	8,788,536	-	8,788,536	17,673,774	44,576,357
Routine maintenance – vehicles and other transport equipment	2,838,866	-	2,838,866	2,623,776	6,782,808
Routine maintenance- other assets	-	-	-	-	-
Exchange rate losses/gains (net)	-	-	-	-	-
<b>Total</b>	<b><u>80,106,353</u></b>	<b>=</b>	<b><u>80,106,353</u></b>	<b><u>112,065,462</u></b>	<b><u>293,749,104</u></b>

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Notes to the Financial Statements (Continued)

7. Social Security Benefits

Description	2022-2023			2021-2022	Cumulative to-date
	Payments made by the Entity in Cash Kshs	Payments made by third parties Kshs	Total Payments Kshs	Total Payments Kshs	
Government pension and retirement benefits	-	-	-	-	-
Social security benefits in cash and in kind	-	-	-	-	-
Employer social benefits in cash and in kind	-	-	-	-	-
<b>Total</b>	-	-	-	-	-



Notes to the Financial Statements (Continued)

8. Acquisition of Non-Financial Assets

Description	2022/2023			2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of buildings	-	-	-	-	-
Construction of buildings	-	-	-	-	-
Refurbishment of buildings	-	-	-	-	-
Construction of roads	-	-	-	-	-
Construction of civil works	217,701,464	536,489,605	754,191,068	1,342,299,125	6,327,939,535
Overhaul & refurbishment of construction and civil works	41,466,725	-	41,466,725	13,099,838	54,566,563
Purchase of vehicles & other transport equipment	-	-	-	-	108,746,222
Overhaul of vehicles & other transport equipment					
Purchase of household furniture & institutional equipment	-	-	-	-	-
Purchase of office furniture & general equipment	-	-	-	4,140,000	259,583,523
Purchase of specialised plant, equipment and machinery	-	-	-	-	368,086,704
Rehabilitation & renovation of plant, equipment &					

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Description	2022/2023			2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
machinery					
Purchase of certified seeds, breeding stock and live animals	-	-	-	-	-
Research, studies, project preparation, design & supervision	231,615,468	80,291,779	311,907,123	797,584,286	5,825,182,106
Rehabilitation of civil works	-	-	-	-	-
Acquisition of strategic stocks	-	-	-	-	-
Acquisition of land	184,049,893	-	184,049,893	152,970,657	2,654,242,336
Acquisition of other intangible assets	-	-	-	-	-
<b>Total</b>	<b><u>674,833,550</u></b>	<b><u>616,781,384</u></b>	<b><u>1,291,614,810</u></b>	<b><u>2,310,093,906</u></b>	<b><u>15,598,346,990</u></b>



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

**9. Transfers to other Government Entities**

During the financial period to 30 June 2023, we transferred funds to reporting government entities as shown below:

Description	2022/2023			2022/20232	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers to National Government entities					
Ministry ABC	-	-	-	-	-
Project XYZ	-	-	-	-	-
	-	-	-	-	-
Transfers to County Governments					
County ABC	-	-	-	-	-
County XYZ	-	-	-	-	-
	-	-	-	-	-
<b>Total</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>

*(We have confirmed that the beneficiary institutions have received the funds and have recorded these as inter-entity receipts. We have attached these duly signed confirmations as an Appendix to the financial statements).*

Notes to the Financial Statements (Continued)

10. Other Grants, Transfers and Payments

Description	2022/2023			2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	
Grants for scholarships	-	-	-	-	-
Transfers to lower levels of government e.g. schools	-	-	-	-	-
Miscellaneous payments	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

[Provide explanation as necessary]



Notes to the Financial Statements (Continued)

11. Cash And Cash equivalents

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank accounts (Note 11A)	256,453,781	545,375,898
Cash in hand (Note 11B)	-	-
Cash equivalents (short-term deposits) (Note 11C)	-	-
<b>Total</b>	<u>256,453,781</u>	<u>545,375,898</u>

(The Project) has XX number of project accounts spread within the project implementation area and XX number of foreign currency designated accounts managed by the National Treasury as listed below:

11. A Bank Accounts

Project Bank Accounts

Details	2022/2023	2021/2022
	Kshs	Kshs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	-	-
Kenya Commercial Bank [A/c No.....]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
Others (specify)	-	-
Total Foreign Currency balances	-	=
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	-	-
NCBA [A/c No 1000591738]	256,453,781	545,375,898
Co-operative Bank of Kenya [A/c No.....]	-	-
Others (specify)	-	-
Total local currency balances	256,453,781	<u>545,375,898</u>
Total bank account balances	256,453,781	<u>545,375,898</u>

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

**Special Deposit Accounts**

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

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

**Special Deposit Accounts Movement Schedule**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>(i) A/C Name [A/c No.....]</b>		
Opening balance	37,941,519	85,891,548
Total amount deposited in the account	543,299,077	644,399,093
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>424,125,100</u>	<u>692,349,122</u>
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b><u>157,115,496</u></b>	<b><u>37,941,519</u></b>
<b>(ii) A/c Name [A/c No.....]</b>		
Opening balance (as per the SDA reconciliation)	-	13,135,329
Total amount deposited in the account	-	19,530,199
Total amount withdrawn (as per Statement of Receipts & Payments)	-	<u>32,665,528</u>
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b><u>0</u></b>	<b><u>0</u></b>

*(The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as Appendix xx support these closing balance.*



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

**11 B Cash in hand**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>KShs</b>	<b>KShs</b>
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other locations ( <i>specify</i> )	-	-
<b>Total cash in hand balances</b>	<b>=</b>	<b>=</b>

[Provide a cash count certificate for each location above]

**11 C Cash equivalents (short-term deposits)**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Kenya Commercial Bank [A/C No.....]	-	-
Co-Operative Bank of Kenya [A/C No.....]	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b>=</b>	<b>=</b>

[Provide short appropriate explanations as necessary]

**12. Imprests and Advances**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Government Imprests	-	56,700
National Irrigation Authority	21,210,036	34,305,397
Water Resources Authority	632,419	55,012,704
National Land Commission	84,954,450	47,504,343
CRWSCRIP	70,484,199	-
<b>Total</b>	<b>177,281,103</b>	<b>136,879,144</b>

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

**12A: Breakdown of Imprests and Advances**

<b>Name of Officer or Institution</b>	<b>Amount Taken</b>	<b>Due Date of Surrender</b>	<b>Amount Surrendered</b>	<b>Balance 2022/2023</b>	<b>Balance 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Daniel Korir	18,900	27/06/2023			18,900
Frank Githinji	18,900	27/06/2023			18,900
Japheth Ngetich	18,900	27/06/2023			18,900
<b>Total</b>	<u>56,700</u>		-		56,700

**13. Deposits and Retention Monies**

<b>Description</b>	<b>2022/2023</b>		<b>2021/2022</b>	
	<b>Kshs</b>		<b>Kshs</b>	
Retention	464,011,773		456,228,775	
Accounts Payables	717,815		-	
<b>Total</b>	<b>464,729,588</b>		<b>456,228,775</b>	
<b>Ageing analysis:</b>	<b>2022/2023</b>	<b>% of the Total</b>	<b>2021/2022</b>	<b>% of the Total</b>
Under one year	978,624,171	21%	191,700,497	42%
1-2 years	191,700,497	41%	264,528,277	58%
2-3 years	174,404,919	38%	-	0%
Over 3 years	-	0%	-	0%
<b>Total</b>	<b>464,729,588</b>	<b>100%</b>	<b>456,228,775</b>	<b>100%</b>



**14. Fund Balance Brought Forward**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	545,375,898	480,509,254
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	136,879,144	31,097,185
Deposits and retention	(425,228,775)	(269,357,965)
<b>Total</b>	<b>226,026,267</b>	<b>242,248,475</b>

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

**15. Prior Year adjustment**

	<b>Balance b/f Previous 2022/2023(audited financial statements)</b>	<b>Adjustments</b>	<b>Adjusted balance b/f 2021/2022</b>
<b>Description of the error</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Bank account Balances	-	-	-
Cash in hand	-	-	-
Imprests and advances	-	-	-
Deposits and retentions	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

*(Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy.)*

**16. Changes in Imprests and Advances**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Opening Receivables as at 1 <sup>st</sup> July 2022	136,879,144	31,097,185
Closing account receivables as at 30 <sup>th</sup> June 2023	177,281,103	136,879,144
<b>Change in Imprests and advances</b>	<b>40,401,957</b>	<b>105,781,959</b>

**17. Changes in Accounts Deposits and Retention**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Deposit and Retentions as at 1 <sup>st</sup> July 2022	456,228,775	269,357,965
Closing accounts payables as at 30 <sup>th</sup> June 2023	464,729,588	456,228,775
<b>Changes in deposit and retention</b>	<b>8,500,815</b>	<b>186,870,810</b>



**Other Important Disclosures**

**1. Pending Accounts Payable (See Annex 4a)**

	Balance 2021/2022 from Comparative FY	Additions for the year	Paid during the year	Balance 2022/2023 For Current FY
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	-	-	-	-
Construction of civil works	456,228,775	7,783,000	-	464,011,775
Supply of goods	-	-	-	-
Supply of services	-	-	-	-
<b>Total</b>	<b>456,228,775</b>	<b>7,783,000</b>	<b>-</b>	<b>464,011,775</b>

**2. Pending Staff Payables (See Annex 4b)**

	Balance 2021/2022 from Comparative FY	Additions for the year	Paid during the year	Balance 2022/2023 for Current FY
Description	Kshs	Kshs	Kshs	Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Union employees	-	-	-	-
Others	-	717,815	-	717,815
<b>Total</b>	<b>-</b>	<b>717,815</b>	<b>-</b>	<b>717,815</b>

**3. Other Pending Payables (See Annex 4c)**

	Balance FY 2021/2022	Additions for the year	Paid during the year	Balance FY 2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**Other Important Disclosures (Continued)**

**4. External Assistance**

	2022/2023	2021/2022
Description	Kshs	Kshs
External assistance received as grants	-	-
External assistance received as loans	-	-
External assistance received in kind- as payment by third parties	-	-
<b>Total</b>	-	-

*a). External assistance relating loans and grants*

	2022/2023	2021/2022
Description	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	-	-
<b>Total</b>	-	-

*b) Undrawn external assistance*

	Purpose for which the undrawn external assistance may be used	FY 2022/2023	FY2021/2022
Description		Kshs	Kshs
Undrawn external assistance - loans		-	-
Undrawn external assistance - grants		-	-
<b>Total</b>		-	-

*(This is a disclosure of the assistance not yet received as per donor agreements)*



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**Other Important Disclosures (Continued)**

**c) Classes of providers of external assistance**

	<b>FY 2022/2023</b>	<b>FY2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	-	-

*(Provide details of the reasons for external assistance e.g. Economic development or welfare objective, Emergency relief, Trading activities etc.)*

**d. non-monetary external assistance**

	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Goods	-	-
Services	-	-
<b>Total</b>	-	-

*(This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a project by donors, NGO etc N/B: Disclose the basis on which the value of goods and services were determined (This may be by: depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient on Third Party, Fair value measurement The totals here tie with line 4 of note 2.)).*

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**Other Important Disclosures (Continued)**

**e Purpose and use of external assistance**

<b>Payments made by third parties</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Compensation to employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other Government entities	-	-
Other grants and transfers	-	-
Social Security benefits	-	-
Acquisition of assets	-	-
Finance Costs including loan interest	-	-
Repayment of principal on domestic and foreign borrowing	-	-
Other payments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

(N/B The above sub-classification should be adopted based on the purpose of the external assistance and how it was used).

**f. External Assistance paid by third parties on behalf of (the Entity) by Source**

This relates to external assistance paid directly by third parties to settle obligations on behalf of (the entity This note should tie to line 3 of note 4 on external assistance)).

	<b>FY 2022/2023</b>	<b>FY 2021/2023</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



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**Other Important Disclosures (Continued)**

**5. Payments By Third Party on Behalf of The Project**

*This relates to payments done directly to supplier on behalf of the project such as; national government may fund the operation of health or education program; a donor may pay directly for construction of a given activity*

**5.1 Classification by Source**

	<b>FY2022/2023</b>	<b>FY2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*(Third party payments may be done by other entities that are not providers of external assistance)*

**5.2 Classification of payments made by Third Parties by Nature of expenses**

<b>Payments made by third parties</b>	<b>FY 2022/2023</b>	<b>FY2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other government units	-	-
Other grants and transfers	-	-
Social security benefits	-	-
Acquisition of assets	-	-
Finance costs, including loan interest	-	-
Other payments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*N/B The above subclassification will be adopted based on the appropriate project's operations.*

**Other Important Disclosures (Continued)**

**Related Party Disclosures**

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The comprise of related parties to the Project

- i) Key management personnel including the program director/manager
- ii) The implementing entity/ministry/ department
- iii) Other Ministries and Departments.
- iv) The National Treasury

**Related party transactions:**

	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>Compensation to Key Management</b>		
Compensation to the program manager/ director	-	-
Key Management Compensation others (specify)	-	-
<b>Total Compensation to Key Management</b>	-	-
<b>Transfers to related parties</b>		
Transfers to other government entities	-	-
<b>Total Transfers to related parties</b>	-	-
<b>Transfers from related parties</b>		
Transfers from the Ministry/ department	-	-
Payments made on behalf of the project by other govt. entities	-	-
(Insert any other transfers received)	-	-
<b>Total Transfers from related parties</b>	-	-

**7. Contingent Liabilities**

Contingent liabilities	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Court case xxx against the project	-	-
Bank guarantees in favour of other govt. entities	-	-
Contingent liabilities arising from PPPs/ donor agreements	-	-
<b>Total</b>	-	-

(Give details- Update ANNEX 8 Contingent liabilities register)



13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of kshs 2,880,000,000 and Ksh 2,407,631,630 respectively, resulting in underfunding of Ksh 472,368,370 or 16% of the budget. Similarly, the project spent kshs 2,880,000,000 resulting in under expenditure of kshs 456,146,164 representing 16% of the estimated expenditure.</p>	<p>Budget under absorption. Low absorption of funds is especially related to the reduced rate of execution of works for the Lower Nzoia Irrigation Project by the contractor occasioned by the delayed land acquisition by the National Land Commission (NLC). This has affected construction along the main and Secondary Canals where compulsory land acquisition is ongoing. However, recently the NLC has undertaken expedited land accession and compensation process to the effect that the contractor has been able to undertake significant construction and given that the PAPs have begun allowing access for installation of tertiary canals, KWSCRIP expects absorption to increase remarkably</p>	Resolved	

  
 .....  
 Julius Koini  
 Principal Secretary

  
 .....  
 Vincent N. Kabuti  
 Project Manager

*Kenya Water Security and Climate Resilience Project*  
*Annual Report and Financial Statements for the financial year ended June 30, 2023*

**Annex 2: Variance explanations - Comparative Budget and Actual amounts for FY 2022/2023**

	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Budget Utilization Difference</b>	<b>% of Utilization</b>	<b>Comments on Variance (below 90% and over 100%)</b>
	<b>a</b>	<b>b</b>	<b>c=a-b</b>	<b>d=b/a %</b>	
<b>Receipts</b>					
Transfer from Government entities	146,000,000	61,500,000	84,500,000	58%	
Proceeds from domestic and foreign grants	-	-	-	-	
Proceeds from borrowings	1,650,000,000	1,040,906,284	609,093,716	37%	
Miscellaneous receipts		12,654,592	(12,654,592)	100%	
<b>Total Receipts</b>	<b>1,796,000,000</b>	<b>1,115,060,876</b>	<b>680,939,124</b>	<b>38%</b>	
<b>Payments</b>					
Compensation of employees	300,000	360,687	(60,687)	20%	
Purchase of goods and services	500,000,000	80,106,353	419,893,647	84%	
Social security benefits					
Acquisition of non-financial assets	1,295,700,000	1,291,614,810	4,085,190		
Transfers to other government entities					
Other grants and transfers					
<b>Total payments</b>	<b>1,796,000,000</b>	<b>1,372,081,849</b>	<b>423,918,151</b>	<b>24%</b>	
		<b>(257,020,974)</b>			

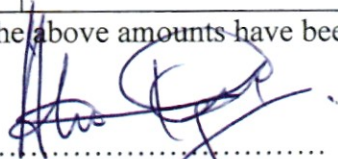


**Kenya Water Security and Climate Resilience Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

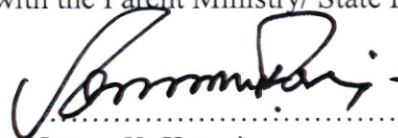
**Annex 3: Reconciliation of inter-entity transfers**

Project Name:				
Break down of transfers from the State Department of Water				
<b>a.</b>	<b>Government Counterpart funding</b>			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			61,500,000	2022/2023
		<b>Total</b>	<b>61,500,000</b>	
		<b>Total (A+B+C)</b>	<b>61,500,000</b>	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department



.....  
 Eng. Vincent N. Kabuti  
 Project Manager



.....  
 James K. Karori  
 Head of Accounting Unit  
 ICPAK Member. 3972

*Kenya Water Security and Climate Resilience Project  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

**Annex 4a: Analysis of Pending Bills**

<b>Supplier of Goods or Services</b>	<b>Date Contracted/ invoiced.</b>	<b>Original Amount</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance FY2022/2023</b>	<b>Outstanding Balance Previous FY 2021/2022</b>	<b>Comments</b>
		<b>a</b>	<b>b</b>	<b>c=a-b</b>		
Construction of buildings						
1.						
2.						
<b>Sub-Total</b>						
Construction of civil works						
3.						
4.						
<b>Sub-Total</b>						
Supply of goods						
5.						
6.						
<b>Sub-Total</b>						
Supply of services						
7.						
8.						
<b>Sub-Total</b>						
<b>Grand Total</b>						



*Kenya Water Security and Climate Resilience Project  
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**Annex 4b: Analysis of Pending: Staff Bills**

<b>Name of Staff</b>	<b>Job Group</b>	<b>Date Payable Contracted</b>	<b>Original Amount</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance FY 2022/2023</b>	<b>Outstanding Balance FY 2021/2022</b>	<b>Comments</b>
<b>Permanent Employees - Management</b>							
1.							
2.							
<b>Sub-Total</b>							
<b>Permanent Employees - Others</b>							
3.							
4.							
<b>Sub-Total</b>							
<b>Temporary employees</b>							
5.							
6.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
7.							
8.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

*Kenya Water Security and Climate Resilience Project*  
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**Annex 4c: Analysis of other Pending Payables**

Name	Brief Description	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance FY 2022/2023	Outstanding Balance FY 2021/2022	Comments
<b>Amounts due to National Govt Entities</b>							
1.							
2.							
<b>Sub-Total</b>							
<b>Amounts due to County Govt Entities</b>							
3.							
4.							
<b>Sub-Total</b>							
<b>Amounts due to Third Parties</b>							
5.							
6.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
7.							
8.							
<b>Sub-Total</b>							
<b>Grand Total</b>							



*Kenya Water Security and Climate Resilience Project  
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**Annex 5: Summary of Fixed Assets Register**

Asset class	Opening Cost (KShs) 2021/22	Donations in form of assets (KShs) 2022/23	*Purchases/ Additions in the Year (KShs) 2022/23	**Disposals in the Year (KShs) 2022/23	Transfers in/(out) Kshs 2022/23	Closing Cost (KShs) 2023
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+(b)+c-(d)+(-)d
Land	2,470,192,443		184,049,893			2,654,242,336
Buildings and structures						
Transport equipment	108,746,227					108,746,227
Office equipment, furniture and fittings	210,853,770					210,853,770
ICT Equipment,	29,769,571					29,769,571
Other Machinery and Equipment	32,060,020					32,060,020
Heritage and cultural assets						
Biological assets						
Infrastructure assets roads, rails	5,573,748,467		795,657,793			6,369,406,260
Intangible assets	5,881,361,687		311,907,123			6,193,268,810
Work in Progress						
<b>Total</b>	<b>14,306,732,180</b>		<b>1,291,614,809</b>			<b>15,598,346,994</b>

Notes

\* Purchases/Additions in the year reconciled to the amount in Statement of Receipts and Payments

\*\* The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold.

**Annex 6: Contingent Liabilities Register**

	<b>Nature of contingent liability</b>	<b>Remarks</b>
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		



*Kenya Water Security and Climate Resilience Project  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

**Annex 7: Reporting of Climate Relevant Expenditures**

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

**Annex 8: Reporting Disaster Management Expenditure**

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments



**Annex 9: Other Support Documents**

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30<sup>th</sup> June 20XX
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance (*Where applicable*)



REPUBLIC OF KENYA

MINISTRY OF WATER, SANITATION AND IRRIGATION  
STATE DEPARTMENT FOR IRRIGATION  
KENYA WATER SECURITY & CLIMATE RESILIENCE PROJECT

MAJI HOUSE  
NGONG ROAD  
P. O. BOX 49720-00100  
NAIROBI  
Website: [www.water.go.ke](http://www.water.go.ke)

Telegrams: "MAJI" Nairobi  
Telephone: +254 20 4900303  
G.L +254 20 2716103  
Fax: +254 20 2728703  
Email: [info@kwscrp.org](mailto:info@kwscrp.org)

REF.: KWSCR/ACCT/004/VOL.IV/96

Date: 17<sup>th</sup> August 2023

The Team Leader  
Water Resources Authority  
P.O. Box 45250 - 00100  
NAIROBI

RE: CONFIRMATION OF FUNDS TRANSFERRED IN THE FINANCIAL  
YEAR 2022/2023

The regulation under IPSAS requires confirmation of the amounts transferred to Project implementing Units/SAGAs during the financial year 2022/2023

The funds we transferred to your organization is as follows.

Date	Amount
05.05.2023	2,000,000.00
<b>TOTAL</b>	<b>2,000,000.00</b>

Please confirm by signing the below:-

Eng. Vincent Kabui, O.G.W.  
PROJECT MANAGER

Amount:

2,000,000

Name:

SIMON N. MWANGI

Signature:

Designation:

PIU TL

Date:

18/8/2023



F.O 30

**KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT**

D-110 (KWSCRCP)

2022/2023

**BANK RECONCILIATION STATEMENT AS AT 30th June 2023**

	KSHS.	Kshs.	Kshs.
Balance as per bank certificate(New A/c)			291,584,661.75
Less			
1. Payments in cashbook not yet recorded in bank statement (Unpresented Cheques)	35,130,880.85	35,130,880.85	
2. Receipts in bank statement not yet recorded in cashbook	-		
Add			
3. Payments in bank statement not yet recorded in casbook			
4. Receipts in cashbook not yet recorded in bank statement.	0.00		
Balance as per the cashbook.....			256,453,780.90
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: PA			
Signature			
Date	30/6/2023		
(All schedules are attached herewith)			

Jun-23			
MINISTRY OF ENVIRONMENT WATER AND NATURAL RESOURCES			
KENYA WATER SECURITY RESILIENCE PROJECT			
PROJECT PREPARATORY ADVANCE			
PROJECT NO. 52680			
BANK RECONCILIATION STATEMENT AS AT 30th June 2023			
NCBA BANK, NIC HOUSE NAIROBI			
A/C NO. 2033770043			
CASH BOOK SUMMARY			
CASH BOOK BALANCE AS AT 1st June 2023			359,509,632.15
ADD	RECEIPTS (INTEREST INCOME)		816,581.90
	Exchequer: IDA		
	Exchequer: TF		
	Other funds		
	Imprest refunds		112,000.00
	Unpaid imprest		940,315.15
	<b>Sub Totals</b>		<b>361,378,529.20</b>
LESS	PAYMENTS		104,777,068.95
	BANK CHARGES		147,679.35
	<b>Sub Totals</b>		<b>104,924,748.30</b>
	CASH BOOK BALANCE AS AT 30th June 2023		<b>256,453,780.90</b>
BANK RECONCILIATION STATEMENT			
BALANCE AS PER BANK STATEMENT AS AT 30th June 2023			291,584,661.75
ADD	UN BANKED RECEIPT		
	PAY IN BANK NOT IN CASH BOOK		
	<b>Sub Totals</b>		<b>291,584,661.75</b>
LESS	UNPRESENTED CHEQUES		35,130,880.85
	BALANCE AS PER CASH BOOK		<b>256,453,780.90</b>
LIST OF UNPRESENTED CHEQUES			
C B DATE	CHQ.No.	PAYEE NAME	AMOUNT (Kshs.)
2-Jun-23	04541	Jean Damascene	1,431,078.10
2-Jun-23	04539	Commission of Dom. Taces- Jean	269,379.40
2-Jun-23	04540	Commission of Dom. Taces- Jean	252,543.20
29-Jun-23	4451	Tractebel Engineering	6,839,512.60
29-Jun-23	4546	CDT-Tracetebel	313,739.10
29-Jun-23	4547	CDT-Tracetebel	125,495.65
29-Jun-23	4551	Tractebel Engineering	1,681,912.40
29-Jun-23	4546	CDT-Tracetebel	77,151.95
29-Jun-23	4547	CDT-Tracetebel	30,860.80
29-Jun-23	4551	Tractebel Engineering	7,177,765.50
29-Jun-23	4546	CDT-Tracetebel	329,255.10
29-Jun-23	4547	CDT-Tracetebel	131,702.15
29-Jun-23	4552	Tractebel Engineering	4,020,433.05
29-Jun-23	4548	CDT-Tracetebel	184,423.55
29-Jun-23	4549	CDT-Tracetebel	73,769.40
29-Jun-23	4552	Tractebel Engineering	3,853,164.90



29-Jun-23	4548	CDT-Tracetebel	176,750.70
29-Jun-23	4549	CDT-Tracetebel	70,700.25
29-Jun-23	4552	Tractebel Engineering	4,220,726.55
29-Jun-23	4548	CDT-Tracetebel	193,611.30
29-Jun-23	4549	CDT-Tracetebel	77,444.50
29-Jun-23	4450	Samuel Kimondiu	25,200.00
29-Jun-23	4450	Enock Omweri	33,600.00
29-Jun-23	4450	Samson Musyoka	42,000.00
29-Jun-23	4450	Beatrice Ngotho	56,000.00
29-Jun-23	4450	Mary Nduta	16,800.00
29-Jun-23	4453	Anastasia Mutisya	37,050.00
29-Jun-23	4453	Anastasia Mutisya	37,620.00
29-Jun-23	4453	Anastasia Mutisya	37,520.00
29-Jun-23	4453	Peris Kanyi	80,000.00
30-Jun-23	4554	Cityjet Tour and Travel	446,170.00
30-Jun-23	4555	Festus Ondimu	63,000.00
30-Jun-23	4555	George Njuguna	112,000.00
30-Jun-23	4555	Catherine Mutwiwa	140,000.00
30-Jun-23	4555	Stephen Musyoki	63,000.00
30-Jun-23	4555	Francis Kimani	152,000.00
30-Jun-23	4555	Carol Nzuki	112,000.00
30-Jun-23	4555	Rose Wanyonyi	112,000.00
30-Jun-23	4555	Samuel Kimondiu	31,500.00
30-Jun-23	4555	Jean Damascene	1,466,983.30
30-Jun-23	4555	CDT-Jean	258,879.40
30-Jun-23	4555	CDT-Jean	276,138.00
			35,130,880.85



July 11, 2023

MINISTRY OF WATER AND SANITATION,  
MAJI HOUSE,  
P.O BOX 49720-00100.  
NAIROBI.

REF: KWSCR/ACCT/004/VOL.V/27

Dear Sir/Madam,

**RE: CERTIFICATE OF BALANCE FOR KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT.**

We refer to your correspondence requesting us to furnish you with information regarding the state of affairs of your accounts.

In response we wish to confirm the account and its respective balance with us, as at close of business on **30<sup>th</sup> June 2023** to have been as follows:

Account Number	Account Name	Curr	Account Balance
2033770043	KENYA WATER SECURITY AND CLIMATE	KES	291,584,661.75 CR

We also wish to give a **nil** report on all other aspects of your questionnaire. We trust that this meets your requirements.

Yours faithfully,

Authorized signatory  
**Sidney Kimani**

  
Authorized signatory  
**Elizabeth Muraguri**

**NCBA Centre**  
Mara and Ragati Road, Upper Hill  
P. O. Box 44599-00100, Nairobi, Kenya  
Tel: +254 20 2884444  
Mobile: +254 711 056444/+254 732 156444  
Email: contact@ncbagroup.com



e-Statement Of Account

Account Number : 2033770043 - 1110001953 1000591738

Institutional Banking Current AC

From : 01/06/2023 To : 30/06/2023

Currency : Kenyan Shilling



KENYA WATER SECURITY AND CLIMATE	
Opening Balance	360,940,710.25
Payments In	1,868,897.05
Payments Out	71,224,945.55
Available Balance	291,584,661.75
Closing Balance	291,584,661.75
Statement No	1

Date	Transaction Type and Details	Value Date	Debit	Credit	Balance
02/06/2023	Outward Telegraphic Trn Pymnt FT23153MX90F SINOHYDROM CORPORATION TRANSFER	02/06/2023	500.00		360,940,210.25
02/06/2023	Outward Telegraphic Trn Pymnt FT23153YGR02 NICHE ENVIRONMENTAL CONSULTANTS LTD TRANSFER	02/06/2023	500.00		360,939,710.25
02/06/2023	Excise Duty CHG231530Y3HW FT23153MX90F	02/06/2023	100.00		360,939,610.25
02/06/2023	Excise Duty CHG231538F92 FT23153YGR02	02/06/2023	100.00		360,939,510.25
02/06/2023	Outward Telegraphic Trn Pymnt FT23153155Z0 NTIVUNWA JEAN DAMASCENE CONSULTANCY SERVICES	02/06/2023	2,400.00		360,937,110.25
02/06/2023	Outward Telegraphic Trn Pymnt FT23153155Z0 NTIVUNWA JEAN DAMASCENE CONSULTANCY SERVICES	02/06/2023	1,431,077.45		359,506,032.80
02/06/2023	Excise Duty CHG2315300LBY FT23153155Z0	02/06/2023	480.00		359,505,552.80
14/06/2023	Transfer FT23165R9TD8	14/06/2023	396,800.00		359,108,752.80
15/06/2023	Outward Telegraphic Trn Pymnt FT23166WS4DB FELISTAS NJUGUNA TRANSFER	15/06/2023	500.00		359,108,252.80
15/06/2023	Outward Telegraphic Trn Pymnt FT23166WS4DB FELISTAS NJUGUNA TRANSFER	15/06/2023	790,500.00		358,317,752.80
15/06/2023	Excise Duty CHG23166C5GGV FT23166WS4DB	15/06/2023	100.00		358,317,652.80
15/06/2023	Outward Telegraphic Trn Pymnt FT231665HN83 FELISTAS NJUGUNA TRANSFER	15/06/2023	500.00		358,317,152.80
15/06/2023	Excise Duty CHG23166WMT25 FT231665HN83	15/06/2023	100.00		358,317,052.80
15/06/2023	Outward Telegraphic Trn Pymnt FT23166G52NS JORAM NJAGI TRANSFER	15/06/2023	500.00		358,316,552.80
15/06/2023	Outward Telegraphic Trn Pymnt FT23166DCD6Q CYNTHIA NDERITU TRANSFER	15/06/2023	500.00		358,316,052.80
15/06/2023	Outward Telegraphic Trn Pymnt FT23166GFVD4 ESTHER MAKENA TRANSFER	15/06/2023	500.00		358,315,552.80

IMPORTANT NOTICE: Please examine your statement carefully. If we don't hear from you within 28 days, we shall assume that the details shown on your Account Statement are correct. If, however, you have any query about any transaction on your Account Statement, get in touch with our Contact Centre on +254 711 056 444/+254 732 156 444 or email: [contact@ncbagroup.com](mailto:contact@ncbagroup.com)

e-Statement Of Account

Account Number : 2033770043 - 1110001953 1000591738

Institutional Banking Current AC

From : 01/06/2023 To : 30/06/2023

Currency : Kenyan Shilling



**NCBA**

KENYA WATER SECURITY AND CLIMATE		Opening Balance	360,940,710.25		
		Payments In	1,868,897.05		
		Payments Out	71,224,945.55		
		Available Balance	291,584,661.75		
		Closing Balance	291,584,661.75		
		Statement No	2		
Date	Transaction Type and Details	Value Date	Debit	Credit	Balance
15/06/2023	Excise Duty CHG231663TYXL FT23166DCD6Q	15/06/2023	100.00		358,315,452.80
15/06/2023	Excise Duty CHG231665RNRWR FT23166GFVD4	15/06/2023	100.00		358,315,352.80
15/06/2023	Excise Duty CHG23166LVSH6 FT23166G52NS	15/06/2023	100.00		358,315,252.80
16/06/2023	VAT Commission 4537 2020230001683898 FT23167J8DL0	16/06/2023	300.00		358,314,952.80
16/06/2023	Outward Cheque - Dr 4537 2020230001683898 FT23167J8DL0	16/06/2023	3,194,258.00		355,120,694.80
16/06/2023	VAT Commission 4530 2020230001683047 FT23167XYR09	16/06/2023	300.00		355,120,394.80
16/06/2023	Outward Cheque - Dr 4530 2020230001683047 FT23167XYR09	16/06/2023	1,503,880.00		353,616,514.80
16/06/2023	VAT Commission 4536 2020230001683954 FT231670V4PV	16/06/2023	300.00		353,616,214.80
16/06/2023	Outward Cheque - Dr 4536 2020230001683954 FT231670V4PV	16/06/2023	2,555,407.00		351,060,807.80
16/06/2023	VAT Commission 4531 2020230001683117 FT23167ZH087	16/06/2023	300.00		351,060,507.80
16/06/2023	Outward Cheque - Dr 4531 2020230001683117 FT23167ZH087	16/06/2023	601,552.00		350,458,955.80
16/06/2023	VAT Commission 4533 2020230001683592 FT231676JH4Q	16/06/2023	300.00		350,458,655.80
16/06/2023	Outward Cheque - Dr 4533 2020230001683592 FT231676JH4Q	16/06/2023	1,248,450.00		349,210,205.80
16/06/2023	VAT Commission 4534 2020230001683839 FT23167VBVPW	16/06/2023	300.00		349,209,905.80
16/06/2023	Outward Cheque - Dr 4534 2020230001683839 FT23167VBVPW	16/06/2023	998,760.00		348,211,145.80
16/06/2023	Internal Transfer FT23167BBQCQ RTN REF FT23166DCD6Q RSN UTA INVALID ACCOUNT NUMBER CENTRAL BANK OF KENYA KES FT23166DCD6Q	16/06/2023		112,000.00	348,323,145.80

IMPORTANT NOTICE: Please examine your statement carefully. If we don't hear from you within 28 days, we shall assume that the details shown on your Account Statement are correct. If, however, you have any query about any transaction on your Account Statement, get in touch with our Contact Centre on +254 711 056 444/+254 732 156 444 or email: [contact@ncbagroup.com](mailto:contact@ncbagroup.com)



e-Statement Of Account

Account Number : 2033770043 - 1110001953 1000591738

Institutional Banking Current AC

From : 01/06/2023 To : 30/06/2023

Currency : Kenyan Shilling



KENYA WATER SECURITY AND CLIMATE	
Opening Balance	360,940,710.25
Payments In	1,868,897.05
Payments Out	71,224,945.55
Available Balance	291,584,661.75
Closing Balance	291,584,661.75
Statement No	3

Date	Transaction Type and Details	Value Date	Debit	Credit	Balance
16/06/2023	Excise Duty CHG231676GF44 FT23167ZH087	16/06/2023	60.00		348,323,085.80
16/06/2023	Excise Duty CHG231675NKJT FT23167XYR09	16/06/2023	60.00		348,323,025.80
16/06/2023	Excise Duty CHG23167GKZK8 FT23167VBVPW	16/06/2023	60.00		348,322,965.80
16/06/2023	Excise Duty CHG23167478V9 FT23167J8DLO	16/06/2023	60.00		348,322,905.80
16/06/2023	Excise Duty CHG23167VLO9M FT231676JH4Q	16/06/2023	60.00		348,322,845.80
16/06/2023	Excise Duty CHG23167H6SGP FT231670V4PV	16/06/2023	60.00		348,322,785.80
19/06/2023	Outward Telegraphic Trn Pymnt FT231707YX42 MANGAT I.B PATEL LIMITED INV NO 3	19/06/2023	500.00		348,322,285.80
19/06/2023	Outward Telegraphic Trn Pymnt FT231707YX42 MANGAT I.B PATEL LIMITED INV NO 3	19/06/2023	33,123,076.10		315,199,209.70
19/06/2023	Excise Duty CHG23170YLZK9 FT231707YX42	19/06/2023	100.00		315,199,109.70
19/06/2023	Outward Telegraphic Trn Pymnt FT23170X0HWQ NIPPON KOEI CO LTD INV NO.3	19/06/2023	2,400.00		315,196,709.70
19/06/2023	Outward Telegraphic Trn Pymnt FT23170X0HWQ NIPPON KOEI CO LTD INV NO.3	19/06/2023	10,526,759.60		304,669,950.10
19/06/2023	Excise Duty CHG23170YFK3P FT23170X0HWQ	19/06/2023	480.00		304,669,470.10
19/06/2023	Outward Telegraphic Trn Pymnt FT231703TTJ7 NIPPON KOEI CO LTD INV NO.3	19/06/2023	2,400.00		304,667,070.10
19/06/2023	Outward Telegraphic Trn Pymnt FT231703TTJ7 NIPPON KOEI CO LTD INV NO.3	19/06/2023	12,777,024.00		291,890,046.10
19/06/2023	Excise Duty CHG23170L53VB FT231703TTJ7	19/06/2023	480.00		291,889,566.10
20/06/2023	Cash Deposit TT23171HY9ZM MARY NDATA NGINYO	20/06/2023		66,325.00	291,955,891.10

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e-Statement Of Account

Account Number : 2033770043 - 1110001953 1000591738

Institutional Banking Current AC

From : 01/06/2023 To : 30/06/2023

Currency : Kenyan Shilling



KENYA WATER SECURITY AND CLIMATE		Opening Balance	360,940,710.25		
		Payments In	1,868,897.05		
		Payments Out	71,224,945.55		
		Available Balance	291,584,661.75		
		Closing Balance	291,584,661.75		
		Statement No	4		
Date	Transaction Type and Details	Value Date	Debit	Credit	Balance
20/06/2023	Cash Deposit TT23171101XG MARY NDUATA NGINYO	20/06/2023		28,875.00	291,984,766.10
20/06/2023	Cash Deposit TT2317173RNJ MARY NDUATA NGINYO	20/06/2023		5,400.00	291,990,166.10
20/06/2023	Cash Deposit TT23171C3ZY8 MARY NDUATA NGINYO	20/06/2023		19,600.00	292,009,766.10
27/06/2023	Outward EFT Charges FT23178C928G KENYA WATER 36219	27/06/2023	6,500.00		292,003,266.10
27/06/2023	Outward Cheque - Dr FT23178C928G KENYA WATER 36219	27/06/2023	1,929,714.15		290,073,551.95
27/06/2023	Excise Duty CHG23178F2W8B FT23178C928G	27/06/2023	1,300.00		290,072,251.95
29/06/2023	Internal Transfer FT2318024WGT RET Coastal Region Water - ACCOUNT CLOSED NCBA CREDIT TRANSFERS	29/06/2023		614,915.15	290,687,167.10
30/06/2023	Cash Deposit TT23181RVR5R MARY NDUATA NGINYO	30/06/2023		205,200.00	290,892,367.10
30/06/2023	KE Excise Duty CHG23181R4652 ONLINE ACCESS FEES	30/06/2023	300.00		290,892,067.10
30/06/2023	Online Access Fee CHG23181R4652 ONLINE ACCESS FEES	30/06/2023	1,500.00		290,890,567.10
30/06/2023	e-Local Transfer Credit Interest AACT2318145XRRL85	01/07/2023		816,581.90	291,707,149.00
30/06/2023	KE Excise Duty Tax AACT2318145XRRL85	01/07/2023	122,487.25		291,584,661.75

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National  
Irrigation  
Authority

## NIA - KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT

### BANK RECONCILIATION STATEMENT FOR THE QUARTER ENDING JUNE 2023

NCBA BANK - NCBA HOUSE BRANCH

ACCOUNT NO. - 1004150167 / 1797370137

#### CASHBOOK SUMMARY

Balance as per cashbook b/f	24,808,423.25
<b>Add</b>	
Receipts for the Quarter (April - June 2023)	312,785.50
	<u>25,121,208.75</u>
<b>Less</b>	
Expenditure for the Quarter (April - June 2023)	3,911,174.45
Expected Cashbook balance c/f	<u><u>21,210,034.30</u></u>
Imprest and Advances issued during the period	3,452,500.00
Project Account Cashbook balance c/f	21,210,034.30
Outstanding Imprest and Advances	-
Actual Closing balance c/f	<u><u>21,210,034.30</u></u>

#### BANK RECONCILIATION STATEMENT

Balance as per bank statement	21,701,434.30
<b>Less</b>	
Un-presented cheques	
Cheque No. 001115	28,000.00
Cheque No. 001185	22,400.00
Cheque No. 001186	28,000.00
Cheque No. 001188	49,000.00
Cheque No. 001190	49,000.00
Cheque No. 001191	49,000.00
Cheque No. 001192	22,400.00
Cheque No. 001193	49,000.00
Cheque No. 001194	39,200.00
Cheque No. 001195	39,200.00
Cheque No. 001196	49,000.00
Cheque No. 001197	33,600.00
Cheque No. 001198	33,600.00
	<u>(491,400.00)</u>
Balance as per cashbook	<u><u>21,210,034.30</u></u>



August 24, 2023

NATIONAL IRRIGATION AUTHORITY,  
P.O BOX 30372-00100.  
NAIROBI.

REF: NIA/HQ/B1/61

Dear Sir/Madam,

**RE: CERTIFICATE OF BALANCE FOR NATIONAL IRRIGATION AUTHORITY - KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT**

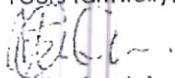
We refer to your correspondence requesting us to furnish you with information regarding the state of affairs of your accounts.

In response we wish to confirm the account and its respective balance with us, as at close of business on **30<sup>th</sup> June 2023** to have been as follows:

Account Number	Account Name	Curr.	Account Balance
1797370137	NIA - KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT	KES	21,701,434.30 CR

We also wish to give a nil report on all other aspects of your questionnaire. We trust that this meets your requirements.

Yours faithfully,

  
Authorized signatory  
Sidney Kimani

  
Authorized signatory  
Elizabeth Mburaguri

NCBA Centre  
NCBA Centre  
Mara and Bagati Road, Upper Hill  
Mara and Bagati Road, Upper Hill  
P. O. Box 44599-00100, Nairobi, Kenya  
P. O. Box 44599-00100, Nairobi, Kenya  
Tel: +254 70 2884444  
Tel: +254 70 2884444  
Mobile: +254 711 056444/254 732 156444  
Mobile: +254 711 056444/254 732 156444  
Email: contact@ncbagroup.com  
Email: contact@ncbagroup.com





4 July 2023  
8:46:40

NATIONAL IRRIGATION AUTHORITY  
UNYUNYIZI HOUSELENANA RD  
Nairobi  
00100  
Kenya

Statement Period: 01062023 to 30062023  
Customer Name NIA - KENYA WATER SECURITY A  
ND  
Customer Number: 179737  
Account Number: 1797370137 - 1004150167  
Account Type Institutional Banking Current AC  
Currency: Kenyan Shilling

Date	Transaction Details	Value Date	Debit	Credit	Balance
02062023	Inward Clg Cheque CHQ NO - 001158 ISAA C AGOGO MUNGA FT2 31538XKTK	02062023	22,400.00		22,030,701.50
05062023	Cash Deposit TT231561B553 PATRIC K OLIMBA REFUND OF CASH ADVANCE FOR ACTIVIT	05062023		20,940.00	22,051,641.50
07062023	Inward Clg Cheque CHQ NO - 001159 MAR TIN THEURI MAINA FT 23158180R3	07062023	12,600.00		22,039,041.50
13062023	Inward Clg Cheque CHQ NO - 001174 IRINE TEMUGE CHERONO F T231640QKJT	13062023	17,500.00		22,021,541.50
14062023	Inward Clg Cheque CHQ NO - 001153 MICH AEL OTIENO KEKE FT2 3165357PG	14062023	32,600.00		21,988,941.50
14062023	Inward Clg Cheque CHQ NO - 001170 ERIC K OTIENO OMONDI FT 23165LLWWD	14062023	15,000.00		21,973,941.50
14062023	Inward Clg Cheque CHQ NO - 001169 ROB ERT SIFUNA WANJALA FT231653TX2M	14062023	14,000.00		21,959,941.50
14062023	Inward Clg Cheque CHQ NO - 001175 CHRI SANTUS S. MURUNGA FT231655ZWXG	14062023	30,800.00		21,929,141.50



4 July 2023  
8:46:40

14062023	Inward Clg Cheque CHQ NO - 001173 JAIR US IMBENZI SEREDE F T23165WV2HY	14062023	38,500.00		21,890,641.50
14062023	Inward Clg Cheque CHQ NO - 001168 DANI EL KARIUKI WAWERU FT23165ZW8KC	14062023	22,400.00		21,868,241.50
14062023	Inward Clg Cheque CHQ NO - 001176 DANI EL KARIUKI WAWERU FT23165NDLN5	14062023	22,400.00		21,845,841.50
14062023	Inward Clg Cheque CHQ NO - 001171 WAL TER OGANA FT231658 H2B5	14062023	12,501.00		21,833,340.50
14062023	Inward Clg Cheque CHQ NO - 001179 MUS YOKI MUSAU FT23165 4M2CF	14062023	12,600.00		21,820,740.50
14062023	Inward Clg Cheque CHQ NO - 001172 MR S AMMY K B CHERUIYOT FT23165FR3N9	14062023	30,800.00		21,789,940.50
14062023	Cash Deposit TT2316550N8M JULIUS NAFTALY	14062023		100.00	21,790,040.50
15062023	Inward Clg Cheque CHQ NO - 001177 ARO N GITONGA MBIJIWE F T231661PGK3	15062023	28,000.00		21,762,040.50
19062023	Cash Deposit TT23170BTN69 FRANK LINE ALUSI	19062023		35,495.00	21,797,535.50
19062023	Inward Clg Cheque CHQ NO - 001178 KOS KEI KIPNGETICH VINC ENT FT23170ZJCW6	19062023	22,400.00		21,775,135.50
22062023	Inward Clg Cheque CHQ NO - 001181 FEST US NZIOKA MALEKYA FT23173HGD00	22062023	12,600.00		21,762,535.50
23062023	Inward Clg Cheque CHQ NO - 001183 JULL YANE OKELLO AWINO FT23174XLLKF	23062023	22,400.00		21,740,135.50
30062023	Inward Clg Cheque CHQ NO - 001184 VIVO ENERGY KENYA LIMIT ED FT23181LBLD4	30062023	56,667.80		21,683,467.70
30062023	Inward Clg Cheque	30062023	12,600.00		21,670,867.70





4 July 2023  
8:46:40

CHQ NO - 001187 MAR  
TIN WACHIRA KANYI F  
T23181PSG8K

30062023	e-Local Transfer	01072023	35,960.65	21,706,828.35
	Credit Interest AACT23 181BZNL SQZ9			
30062023	KE Excise Duty	01072023	5,394.05	21,701,434.30
	Tax AACT23181BZNL SQZ9			
Payments In			92,495.65	
Payments Out			444,162.85	
Available Balance			21,603,434.30	
Closing Balance			21,701,434.30	

Water Resources Authority-(KWSCR-PIU)  
BANK RECONCILIATION STATEMENT AS AT 30th June 2023

EQUITY BANK, Community Branch

A/C NO. 0180269867060

CASH BOOK SUMMARY

CASH BOOK BALANCE AS AT 01-06-2023 **1,257,910.20**

ADD RECEIPTS	CASH RECEIVED	69.00
		<b>1,257,979.20</b>

Sub Totals

LESS	PAYMENTS	1,243,860.00
------	----------	--------------

	BANK CHARGES	6,600.00
--	--------------	----------

	Sub Totals	<b>1,250,460.00</b>
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	CASH BOOK BALANCE AS AT 30th June 2023	<b>7,519.20</b>
--	----------------------------------------	-----------------

BANK RECONCILIATION STATEMENT

BALANCE AS PER BANK STATEMENT AS AT 30-06-2023 **57,519.20**

ADD	UN BANKED RECEIPT	-
-----	-------------------	---

	PAY IN BANK NOT IN CASH BOOK	
--	------------------------------	--

	Sub Totals	
--	------------	--

LESS	Unpresented Cheques	-
------	---------------------	---

28-06-2023	TotalEnergies	001395		49,138.00
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28-06-2023	Commissioner of Taxes	001393		862.00
------------	-----------------------	--------	--	--------

**50,000.00**

	BALANCE AS PER CASH BOOK	<b>7,519.20</b>
--	--------------------------	-----------------

PREPARED BY: .....	SIGN: .....	DATE: .....
(FO)		

REVIEWED BY: .....	SIGN: .....	DATE: .....
(CA)		

APPROVED BY: .....	SIGN: .....	DATE: .....
(HOD)		



Our Ref: EBL/CS/BC/WARMA/2023

THE C.E.O,  
KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT (WRMA)  
P.O BOX 45250-00100,  
NAIROBI.

14<sup>th</sup> July 2023

Dear Sir.

**REF: BANK BALANCE CONFIRMATION- KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT (WRMA)**


We refer to your letter, dated 10<sup>th</sup> July, 2023 on the above referenced and give the account balance as at 30<sup>th</sup> June, 2023 below:

ACCOUNT NUMBER	ACCOUNT NAME	BALANCE
0180269867060	KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT(WRMA)	KES 57,519.20CR

In our journey towards greater accomplishments, you remain an integral part of our success.

Thank you for choosing us as your preferred financial partner, we look forward to a long lasting relationship with you

Yours Faithfully,  
For and on behalf of  
EQUITY BANK (KENYA) LTD

  
Steve Gichohi Gichuhi, EBS, MBS.  
**GENERAL MANAGER**

  
Irene Gatukui  
**SNR. RELATIONSHIP MANAGER-OPERATIONS**

Equity Bank (Kenya) Limited: Equity Centre, Hospital Road, Upper Hill, P.O Box 75104-00200 Nairobi, + 254 763 026 000,  
Contact Centre: +254 763 000 000, info@equitybank.co.ke, www.equitygroup Holdings.com/ke, @KeEquitybank, KeEquitybank

Directors: Amb. Erastus J.O. Mwencha - Non-Executive Chairman, Mr. Gerald Warui - Managing Director, Ms. Mary Wamui, Mr. Fredrick Muchoki,  
Ms. Adorna Sangola, Mrs. Janu Ngige, Prof. Timothy Wama, Mr. Samuel Onyango, Dr. Gideon J.K. Hama



HEAD OFFICE: PO.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,

KENYA WATER SECURITY AND CLIMATE  
RESILIENCE PROJECT(WRMA)  
P.O. BOX 45250  
NAIROBI  
KE  
00100

Branch ID : 018  
Customer Name : KENYA WATER SECURITY AND CLIMATE  
RESILIENCE PROJECT(WRMA)  
Product Name : CAA  
Currency : KES

Account Statement 0180269867060  
Statement Period (From 01-06-2023 To 30-06-2023)

Tran Date	Value Date	Tran Particulars	Debit	Credit	Balance
16-06-2023	16-06-2023	WRA/7/12/531	561,135.00		696,775.20
16-06-2023	16-06-2023	REMITTANCE CHARGES	3,000.00		693,775.20
16-06-2023	16-06-2023	WRA/7/12/532	469,230.00		224,545.20
16-06-2023	16-06-2023	REMITTANCE CHARGES	2,640.00		221,905.20
26-06-2023	26-06-2023	WRA/7/12(533) PAYMENTS	163,495.00		58,410.20
26-06-2023	26-06-2023	REMITTANCE CHARGES	960.00		57,450.20
29-06-2023	29-06-2023	DEBORAH MUTUA- REFUND		69.00	57,519.20
Grand Total			1,200,460.00	69.00	57,519.20

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.

PN1863220230710105336



**LIST OF CHEQUES INCLUDED AS PART OF CASH ON HAND**

<i>Cheque No.</i>	<i>Drawer</i>	<i>Date of Cheque</i>	<i>Date Received</i>	<i>Amount</i>

**KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT  
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION  
FOR THE YEAR ENDED 30 JUNE 2023**

Credit No.: IDA LOAN No. CREDIT NO. 5268-KE (DA-C)

Bank Account No.: 1000214244 Held with CENTRAL BANK OF KENYA


	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		57,962,146.41
	Less:		
2	Total amount documented		53,560,329.19
3	<b>Outstanding amount to be documented</b>		<b>4,401,817.22</b>
	<b>Represented by:</b>		
4	Ending Special account Balance as as 30 June 2023		1,609,340.76
5	Amounts claimed but not credited as at 30 June 2023		-
6	Amounts withdrawn and not claimed		2,792,476.46
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	<b>Total advance to Special Account Year ended 30 June 2023</b>		<b>4,401,817.22</b>

Discrepancy between total appearing on line 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 IDA and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs



**AUTHORISED REPRESENTATIVE  
RESOURCE MOBILISATION DEPARTMENT  
THE NATIONAL TREASURY**

DATE: 25-08-2023



**SPECIAL ACCOUNT STATEMENT**

For period ending	30th JUNE, 2023
Account No.	1000214244
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	(K) WAT. SEC & CL. RESI PRJ 5268 KE
Credit Agreement	
Currency	USD

**Part A - Account Activity**

Beginning balance of 1st July, 2022 as per C.B.K. Ledger Account	626,523.63
---------------------------------------------------------------------	------------

**Add:**

Total Amount deposited by World Bank	4,480,817.13
--------------------------------------	--------------

Total Interest earnings if deposited in account	-----
-------------------------------------------------	-------

Total amount refunded to cover ineligible expenditure	-----
----------------------------------------------------------	-------

**Deduct:**

Total amount withdrawn	3,498,000.00
------------------------	--------------

Total service charges if not included above in amount withdrawn	-----
--------------------------------------------------------------------	-------

Ending balance on 30th June, 2023	1,609,340.76
-----------------------------------	--------------

**AUTHORISED REPRESENTATIVE  
CENTRAL BANK OF KENYA**

SIGNATURE:

DATE

24.07.2023

**AUTHORISED REPRESENTATIVE  
EXTERNAL RESOURCES  
DEPARTMENT-TREASURY**

SIGNATURE:

DATE

25-08-2023

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.

Run Date: 19/07/2023  
 CENTRAL BANK OF KENYA  
 BANKI KUU YA KENYA  
 P.O.BOX 60000-0200  
 NAIROBI

Run Time: 13:51:38

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000214244

ACCOUNT TITLE : (K) WAT. SEC & CL. RESI PRJ 5268 KE  
 30/06/2023

STATEMENT PERIOD: From 01/07/2022 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE	
OPENING BAL :						
			626,523.63			
NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	17/08/2022	FT222293STFM	FUNDING	0.00	1,871,571.13	2498094.76
2	01/09/2022	FT22244B9003	PA128263	-2,498,000.00	0.00	94.76
3	08/12/2022	FT22342XT7VV	FUNDING	0.00	1,410,640.34	1410735.1
4	03/02/2023	FT2303438JSZ	PA129613	-1,000,000.00	0.00	410735.1
5	28/02/2023	FT23059X2GG5	FUNDING	0.00	1,198,605.66	1609340.76

CLOSING BALANCE : 1609340.76

END OF ACCOUNT STATEMENT

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- Account equals  1000214244
- Statement From equals  20220701
- Statement To equals  20230630

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**KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT  
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION  
FOR THE YEAR ENDED 30 JUNE 2022**

**Credit No.: IDA LOAN No. CREDIT NO. 5268-KE (DA-C)**

**Bank Account No.: 1000214244 Held with CENTRAL BANK OF KENYA**

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		52,883,146.54
	<b>Less:</b>		
2	Total amount documented		47,883,146.58
3	<b>Outstanding amount to be documented</b>		<b>4,999,999.96</b>
	<b>Represented by:</b>		
4	Ending Special account Balance as as 30 June 2022		626,523.63
5	Amounts claimed but not credited as at 30 June 2022		-
6	Amounts withdrawn and not claimed		4,373,476.33
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	<b>Total advance to Special Account Year ended 30 June 2022</b>		<b>4,999,999.96</b>

Discrepancy between total appearing on line 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 IDA and provide reasons for not claiming the expenditures

**The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs**

**AUTHORISED REPRESENTATIVE  
RESOURCE MOBILISATION DEPARTMENT  
THE NATIONAL TREASURY**

**DATE:**

Loan: IDA 52680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P117635 - Kenya Water Security and Climate Resilience Project

Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Audit Submission |

Important Dates

Approval	Signing	Commitment	Effective	Closing	First	Application	Last
18-Jun-2013	29-Jul-2013	Charges Start Date 27-Sep-2013	24-Oct-2013	30-Sep-2023	Repayment 15-Oct-2023	Deadline 31-Jan-2024	Repayment 15-Apr-2053

Currency of Commitment: XDR

Show amounts in XDR ▾

Loan Information (XDR)

Signed Amount	103,400,000.00
Cancelled	21,259,695.00
Disbursed	79,705,204.87
Undisbursed	2,435,100.13
Special Commitments	0.00
Funds Available	2,435,100.13

Funds Available (XDR)

Withdrawal Applications	0.00
Special Commitment Issuance Applications	0.00
<b>Estimated Funds Available</b>	<b>2,435,100.13</b>

Disbursed 97.0%    Undisbursed 3.0%

Last Bill, IDA 52680, due on 15-Apr-2023

Borrower: The National Treasury and Planning

Date Payable	Currency	Amount Payable
17-Apr-2023	XDR	279,933.65

USD Equivalents

Original Approved Amount	155,000,000.00
Current Undisbursed	3,247,814.80
Historical Disbursed	111,173,180.26

79,705,204.87	0.75 %	0.00 %
<b>Principal Outstanding</b>	<b>Total Charges</b>	<b>Net Commitment Fee</b>
Disbursed	Service Charge 0.75 %	Commitment Fee 0.50 %
79,705,204.87	Waiver 0.00 %	Waiver 0.00 %
Repaid		
0.00		



Prepaid	0.00	Interest Waiver Status	Ineligible
Regular Repayments	0.00		

#### Reference Information

Lending Instrument :	IPF - Investment Project Financing		
Loan Type :	IDA - IDA Credit		
Borrower of Record :	The National Treasury and Planning		
Guarantor :	Kenya	Maturity Type :	IDA10_40
Loan Term :	40 Years	Maturity Profile :	STANDARD
Grace Period :	10 Years		

#### Loans with Closing Dates in less than 3 months

The Closing Date for the Loan is in 3 months.

If all withdrawal applications and supporting documentation for project expenditures are expected to be submitted to the Bank by the Closing Date, no action is needed.

If all project expenditures are expected to be incurred (i.e., services rendered and goods delivered) by the Closing Date, but additional time is needed to submit withdrawal applications and/or supporting documentation to the Bank, the borrower representative should contact the Task Leader to establish a Grace Period - an additional period between the Closing Date and the Application Deadline Date during which withdrawal applications or supporting documentation for Designated Account Advances may be submitted to the Bank for eligible expenditures incurred by the Closing Date. If the Grace Period has been established, no action is required.

Loan: IDA 52680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P117635 - Kenya Water Security and Climate Resilience Project

[Loan Overview](#) | [Disbursements](#) | [History](#) | [Repayments](#) | [Amortization Schedule](#) | [Audit Submission](#) | [D](#)  
[Applications](#) | [eSignatorie\(s\)](#) | [Beneficiaries](#) | [Contracts](#) | [Designated/UN Accounts](#) | [Category Schedule](#) |

### Designated Account Detail- DA-C

#### Account Details

Account Holder	KENYA WATER SECURITY AND	DA Currency	USD
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	5,000,000.00
Account Number	XXXXXXXX44	Associated Categories	1(A) - (Goods under Pt1a(i)) 1(B) - (Gds excl under Pt 1a(i)) 2(A) - (Works under Pt 1a(i)) 2(B) - (Works under Pt 2c(iv)) 3(A) - (Cons Svcs Pt 1a(i)) 3(B) - (Cons Svcs exc Pt1a(i)) 4 - (Operating Costs) 7 - (GDS,WKS,CS,TRN) 8 - (GDS, WKS, CS, NCS, TRN, OC (under all parts of the Project excluding Sub-grants) 9 - (Sub-grants under Parts 1.(A)(i)(c) and 1.A(ii) of the Project)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	IDA56740

#### Transaction Details

Currency (USD) [View Transaction List](#)

Total Deposits Less Refunds	57,962,146.41
Documented	53,560,329.19
Outstanding Balance	4,401,817.22
Waived Documentation Amount	0.00
Transaction in Process	0.00

Loans with Closing Dates in less than 3 months



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Loan: IDA 52680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P117635 - Kenya Water Security and Climate Resilience Project

Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Audit Submission | D

Applications | eSignatorie(s) | Beneficiaries | Contracts | Designated/UN Accounts | Category Schedule |

### Withdrawal Applications

#### Disbursement Milestone

Loan Approval Date 18-Jun-2013	Loan Signing Date 29-Jul-2013	Loan Made Effective 24-Oct-2013	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 15-Aug-2023
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Submit Withdrawal Application

### Transaction List

Showing results 1 - 10 of 134 entries

Filter by DA-C

Paid Summary

Value Date

Search

Borrower Reference	Application					Paid					
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
WA 127	DA-C	Completed	USD	1,196,365.48	8	USD	598,182.74	27-Jun-2023	30-Jun-2023	Borrower	30-Jun-2023
WA 124	DA-C	Completed	USD	1,198,605.66	8	USD	1,198,605.66	23-Feb-2023	27-Feb-2023	Borrower	27-Feb-2023
WA 122	DA-C	Completed	USD	1,410,640.34	8	USD	1,410,640.34	05-Dec-2022	07-Dec-2022	Borrower	07-Dec-2022
WA 119	DA-C	Completed	USD	1,871,571.13	8	USD	1,871,571.13	15-Aug-2022	16-Aug-2022	Borrower	16-Aug-2022
WA 114	DA-C	Completed	USD	626,523.63	8	USD	626,523.63	15-Jun-2022	16-Jun-2022	Borrower	16-Jun-2022
WA 110	DA-C	Completed	USD	1,871,580.37	8	USD	1,871,580.37	16-Feb-2022	17-Feb-2022	Borrower	17-Feb-2022
WA 106	DA-C	Completed	USD	2,191,152.68	8	USD	2,191,152.68	20-Nov-2021	22-Nov-2021	Borrower	22-Nov-2021
WA 103	DA-C	Completed	USD	967,897.86	8	USD	967,897.86	17-Aug-2021	17-Aug-2021	Borrower	17-Aug-2021
WA 99	DA-C	Completed	USD	1,692,125.06	8	USD	1,692,125.06	03-May-2021	03-May-2021	Borrower	03-May-2021
WA 95	DA-C	Completed	USD	1,242,123.53	8	USD	1,242,123.53	11-Feb-2021	11-Feb-2021	Borrower	11-Feb-2021

Loans with Closing Dates in less than 3 months



The Closing Date for the Loan is in 3 months.

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Loan: IDA 52680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P117635 - Kenya Water Security and Climate Resilience Project

Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Audit Submission | D

Applications | eSignatorie(s) | Beneficiaries | Contracts | Designated/JN Accounts | Category Schedule |

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 18-Jun-2013	Loan Signing Date 29-Jul-2013	Loan Made Effective 24-Oct-2013	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 15-Aug-2023
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Submit Withdrawal Application

Transaction List

Showing results 1 - 10 of 158 entries

Filter by: DA-C  Documented  Value Date

Borrower Reference	Application					Paid					
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
WA 130	DA-C	Draft	USD	1,220,622.48	9		0.00			James Munge	11-Aug-2023
WA 127	DA-C	Completed	USD	1,196,365.48	8	USD	1,196,365.48	27-Jun-2023	30-Jun-2023	Borrower	30-Jun-2023
WA 124	DA-C	Completed	USD	1,198,605.66	8	USD	1,198,605.66	23-Feb-2023	27-Feb-2023	Borrower	27-Feb-2023
WA 122	DA-C	Completed	USD	1,410,640.34	8	USD	1,410,640.34	05-Dec-2022	07-Dec-2022	Borrower	07-Dec-2022
WA 119	DA-C	Completed	USD	1,871,571.13	8	USD	1,871,571.13	15-Aug-2022	16-Aug-2022	Borrower	16-Aug-2022
WA 114	DA-C	Completed	USD	626,523.63	8	USD	626,523.63	15-Jun-2022	16-Jun-2022	Borrower	16-Jun-2022
WA 110	DA-C	Completed	USD	1,871,580.37	8	USD	1,871,580.37	16-Feb-2022	17-Feb-2022	Borrower	17-Feb-2022
WA 106	DA-C	Completed	USD	2,191,152.68	8	USD	2,191,152.68	20-Nov-2021	22-Nov-2021	Borrower	22-Nov-2021
WA 103	DA-C	Completed	USD	967,897.86	8	USD	967,897.86	17-Aug-2021	17-Aug-2021	Borrower	17-Aug-2021
WA 99	DA-C	Completed	USD	1,692,125.06	8	USD	1,692,125.06	03-May-2021	03-May-2021	Borrower	03-May-2021

Loans with Closing Dates in less than 3 months

5, 876, 250      5, 897, 850



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