

REPUBLIC OF KENYA



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OF

THE AUDITOR-GENERAL

ON

HYDROLOGISTS REGISTRATION BOARD

**FOR THE YEAR ENDED
30 JUNE, 2025**





Revised 30th June 2025



HYDROLOGISTS REGISTRATION BOARD

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

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

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1. ACRONYMS AND DEFINITION OF KEY TERMS

A: Acronyms

CBK	Central Bank of Kenya
CEO	Chief Executive Officer
CPD	Continuous Professional Development
DG	Director General
HRB	Hydrologists Registration Board
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
MoUs	Memorandum of Understanding
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
RPT	Related Party Transaction
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
VC	Vice Chancellor
WB	World Bank

B: Definition of Key Terms

Comparative Year- Means the prior period.

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organization.

Hydraulic Structure - a structure installed in a natural or man-made waterway which is submerged or partially submerged in any body of water, which disrupts, obstructs, impounds, diverts or stops the natural flow of water.

Hydrology - is the study of water its occurrence, movement and distribution on the earth, including rainfall, rivers, lakes, groundwater, and how it interacts with the environment.

Hydrological Report - a written documentation submitted by a registered hydrology professional describing the status of water resources in a particular area including sources, extent, quantity, quality, hydraulic properties, drainage characteristics and abstractions.

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Hydrologists Registration Board (HRB) was formed under the Hydrologists Act No 19 of 2017. It was gazetted on 11th July, 2019 and officially launched on 5th of December, 2019. HRB's offices are located within the Ministry of Water, Sanitation and Irrigation Headquarters in Upperhill, Nairobi. The Board has nine (9 no.) Directors, headed by the Board Chairperson. The Registrar/Chief Executive Officer is in charge of running the daily affairs of the Board.

As per the approved Staff Establishment, HRB consists of seven (7 no.) Directorates namely:

i. Registration, Licensing & Resource Centre consisting of the following Departments:

Registration & Licensing.

Hydrology Resource Centre.

ii. Hydrology Research, Standards & Compliance consisting of the following Departments:

Hydrology Research & Standards

Compliance & Enforcement.

iii. Capacity Building & Accreditation consisting of the following Departments:

Training and Professional Development

Accreditation.

iv. Policy, Corporate Research, Planning & Strategy consisting of the following Departments:

Corporate Research, Planning & Strategy

Quality Assurance & Performance Management

Partnerships and Resource Mobilization.

v. Corporate Services consisting of the following Departments:

Finance and Accounts

Human Resource & Administration

Information Communication Technology

Corporate Communications.

vi. Corporation Secretary & Legal Services

vii. Internal Audit.

(b) Principal Activities

The Board is mandated with the responsibility of registering and regulating all persons and entities practicing in the field of Hydrology and building capacity for hydrology professionals, as well as regulating their conduct for improved and sustainable performance of the profession.

The key activities of the Board are;

- i) To regulate, co-ordinate and oversee practice of hydrology;
- ii) To promote standards of professional competence and practice amongst hydrologists;
- iii) To coordinate research, investigations and surveys in hydrological field;
- iv) To recognize institutions that furnish a sufficient guarantee of academic knowledge of practical experience in hydrology;
- v) To demand and certify hydrological studies and reports necessary for design of hydraulic structures;
- vi) To collaborate with other bodies or organizations in development of programs and facilities for advancement of hydrology and well-being of hydrologists; and
- vii) To perform any other function that is incidental or consequential to its functions under this Act any other written law.

Vision

A quality and robust hydrological practice and management.

Mission

To promote good governance in regulation, oversight and coordination of the practice of Hydrology.

Our Core Values

The Hydrologists Registration Board is guided by the National Values as espoused by the Constitution of Kenya, 2010. These are:

- b. Sustainable Development.
- c. Honesty and Integrity.
- d. Human Dignity.
- e. Transparency and Accountability.
- f. Teamwork and Focus on Results.

- g. Innovation.
- h. Participatory Approach.
- i. Equity.

(c) Key Management

The Hydrologists Registration Board's day-to-day management is under the following key organs:

No.	Designation	Name
1.	Board of Directors	Dr. Faith Kinya Mitheu - Chairperson
2.	Registrar/CEO	Mr. Antony Mwenje
3.	Manager, Registration and Licensing	Georgia Mwendwa

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June, 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Registrar/ CEO	Mr. Antony Mwenje
2.	Manager Registration and Licensing	Ms. Georgia Mwendwa
3.	Head Accounting Unit	Ms. Jennifer Owino
4.	Procurement	Mr. Dennis Ouko
5.	Human Resource Management and Development	Mr. Henry Moochi

Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

The Board's oversight responsibility is vested in the:

AUDIT, RISK AND COMPLIANCE COMMITTEE

The main purpose of the Audit, Risk and Compliance Committee is to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, risk management processes, the system of internal control, the audit process, and the process for monitoring compliance with laws, regulations, the code of conduct and covenants of development partners.

Key responsibilities include:

Financial Reporting

- i. Reviewing financial statements to ascertain that they are prepared in compliance with International Public Sector Accounting Standards and in accordance with professional guidelines and Regulations; and
- ii. Reviewing the clarity and completeness of disclosure of financial statements in conformity with Regulations and International Public Sector Accounting Standards.

Internal Audit Function

- i. Approving and monitoring the implementation of Internal Audit Risk Based Annual Work Plan.
- ii. Following up on the recommendations raised by Internal Auditors;
- iii. Ensuring that the internal auditor's office is independent and has direct access to the Board Chairperson and to the Audit Committee.

External Audit Function

- i. Reviewing External Audit Reports including Management Letters and follow up for prompt Management actions; and
- ii. Following up on any unresolved Public Accounts Committee (PAC) and Public Investment Committee (PIC) recommendations.

Compliance

- i. Evaluating compliance with relevant laws and regulations and advice accordingly.
- ii. Reviewing any investigations by other Government Agencies and action taken; and
- iii. Reviewing compliance to internal policies.

Risk Management

- i. Providing oversight on risk control environment.
- ii. Reviewing reports from Management on the effectiveness of the risk mitigation measures and strategies in place.
- iii. Evaluating the adequacy of Management procedures with regard to risk management, internal control and governance; and
- iv. Reviewing the risk profile.

FINANCE, HUMAN RESOURCE AND GOVERNANCE COMMITTEE

The main purpose of the Finance, Human Resource and Governance Committee is to assist the Board in fulfilling its oversight responsibilities for financial and human resource management processes, and for corporate governance within the Board. The Committee assists the Hydrologists Registration Board in advocating the provisions of Article 201 of the Constitution on the principles of public finance. The Committee is also responsible for overseeing and advising the Board and senior management on matters related to finance, human resource management and governance, including compliance with legal and regulatory requirements.

Key responsibilities include:

Financial Oversight

- i. To oversight over accounting, financial statements and financial reporting systems and controls;
- ii. To review and make recommendations to the Board on Financial Management Policies and Strategies, Budget Administration and on Financial Plans;
- iii. Creation and monitoring of internal financial controls and accountability policies.

Budgeting and Financial Performance:

- i. Financial planning and reporting;
- ii. Review, approval and presentation of the annual budget to the Board, monitoring both adherence to the budget and accountability of funds usage;
- iii. Monitoring the financial position and future prospects of the Board, to ensure its capability to meet its commitments and strategic objectives.

Financial Strategy, Planning and Policy

- i. Periodic review of the Board's long-term financial sustainability;
- ii. Reviewing and advising on the Board's financial strategy;
- iii. Advising the Board on the financial impact of new accounting policies, laws, and regulations;
- iv. Oversight on financial risk management for the Board.

Human Resource Development

- i. Approval and periodic review of the Board's Human Resource and Policy Instruments and recommending any significant changes to the Board;
- ii. Approving for presentation to the full Board all matters concerning induction, training and capacity building of Board members and staff;
- iii. Receiving and reviewing reports on human resources, staffing & recruitment and forwarding the same to the Board for discussion and approval;
- iv. Reviewing and approving the Registrar/Chief Executive Officer's (CEO's) recommendations on recruitment and compensation of senior officers reporting directly to the CEO;
- v. Reviewing the standards and practices established by the CEO for the safety of all employees to ensure their adequacy;

Governance

- i. Ensuring good governance practices;
- ii. Ensuring compliance with the Board's governance framework;
- iii. Oversight on compliance with the applicable laws, legislations, rules, regulations and government directives;

- iv. Reviewing annually the Committee's performance and presenting the report to the Board;
- v. Reviewing periodically the Committee's Terms of Reference and advising the Board on any changes for approval;
- vi. Preparing and presenting to the Board an annual report on the work undertaken by the Committee.
- vii. Undertaking the recruitment of senior management staff;
- viii. Tracking Board skills and advising the Board on development of Board members' potential and on continued education covering industry compliance, new regulations, and technology, and on emerging issues;
- ix. Developing and reviewing governance policies to guide effective oversight and thoughtful planning.

(f) Entity Headquarters

Hydrologists Registration Board
P.O. Box 51224-00100
Maji House, Ngong Road
Nairobi, KENYA

(g) Entity Contacts

Telephone: (254) 703927363
E-mail: info@hydrologistsboard.go.ke
Website: www.hydrologistsboard.go.ke

(h) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA
2. KCB Bank Kenya Ltd.
Capital Hill Branch
P.O. Box 58233 -00100
NHIF Building, Ngong Road

Nairobi, Kenya.

(i) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice



Harambee Avenue

P.O. Box 40112



City Square 00200

Nairobi, Kenya



3. THE BOARD OF DIRECTORS



S/No	Directors	Details
1.	 <p>Dr. Faith K. Mitheu Dr. Mitheu holds a Doctor of Philosophy (Phd.) in Human Geography from the University of Reading, United Kingdom. She has a Masters degree in Integrated Water Resources Management from the University of Dar es Salaam, Tanzania as well as a BSc. degree in Agricultural Engineering.</p>	<p>Dr. Mitheu was born on 12th September, 1984. She has extensive experience in developing flood impact-based frameworks that qualitatively integrate contextual local information with forecasts as well as for establishing early warning information (EWI) for disaster management; hydrological and flood frequency analysis, among others. Dr. Mitheu is currently a Consultant on project management and capacity development to strengthen EWEA Initiatives in Africa under the CIMA Research Foundation.</p> <p>Dr. Mitheu is the Chairperson of the Board.</p>
2.		<p>Ms. Kugun was born on 11th February, 1996. She is a dynamic and results-driven Hydrologist with over 5 years of experience in water resource planning, hydrological systems analysis, environmental impact assessments, water quality monitoring, and agricultural water management. She has demonstrated expertise in data-driven decision-making and project management to optimize water</p>

	<p>Ms. Jael Jepchumba Kugun</p> <p>Ms. Kugun is currently undertaking a Masters degree course in Water Engineering at Moi University. She holds a BSc. degree in Water Resources and Environmental Management from the Jaramogi Oginga Odinga University of Science and Technology.</p>	<p>resource utilization, enhance agricultural productivity, and minimize environmental risks, and is highly skilled at developing sustainable solutions that ensure regulatory compliance while balancing the needs of the environment, local communities, and industrial water demands. She currently practises as a Water Resources Consultant.</p> <p>Ms. Kugun is an Independent Board Member and she serves as the Chairperson of the Audit, Risk and Compliance Committee.</p>
<p>3.</p>	<div data-bbox="303 873 726 1243" data-label="Image"> </div> <p>Mr. Samuel Gitonga M'mbui</p> <p>Mr. M'mbui holds a masters of Business Administration (MBA) in Strategic Management from the University of Nairobi and a Masters of Science degree in Water Resources Survey and Watershed Management from the Institute for Aerospace Survey and Earth Sciences (ITC), Enschede, the Netherlands. He also has a BSc. (Hons) degree in Geology from the University of Nairobi.</p>	<p>Mr. M'mbui was born on 29th May, 1962. He has extensive experience in Strategic Management, Object Oriented Project Planning and Implementation; watershed management, Hydro-geological investigations; water resources survey and modelling; and in GIS, Remote Sensing and Digital Image processing.</p> <p>Mr. M'mbui is an Independent Board Member and he serves as the Chairperson of the Finance, Human Resource and Governance Committee.</p>

<p>4.</p>	 <p>Mr. Bonface Mamboleo</p> <p>Mr. Bonface Mamboleo Lengisho holds a Master’s Degree in Strategic Management from Kenyatta University and a Degree in Bachelor of Technology in Chemical and Process Engineering from Moi University.</p>	<p>Mr. Mamboleo was born on 1st November, 1979. He is currently the Principal Environmental Safeguards & Compliance Officer at National Environment Management Authority (NEMA) – Nairobi, Kenya.</p> <p>He is a highly seasoned Environmental Safeguards and Sustainability professional with over eighteen years of experience working with National Government, and private sector in Kenya. His areas of specialization include Environment and Social Governance (ESG), Environmental and Social (E&S) risk assessment, Stakeholder Engagement, Climate Change, Training, Circular Economy, Green Transition and Data Analysis.</p> <p>Mr. Mamboleo is an alternate to the Managing Director, NEMA and he serves as the Chairperson of the Strategy and Technical Committee.</p>
<p>5.</p>	 <p>Mr. Elly Ongei</p>	<p>Mr. Elly was born on 12th December, 1965. He is a professional in finance, budget planning and execution, public expenditure reviews, policy and resource analysis, proposal development and report writing. He has considerable experience serving the Boards of various institutions. He serves as Secretary to</p>


	<p>Mr. Elly Ongei holds a Masters degree in Economics.</p>	<p>the Defence Forces Tribunal Assessment Board and Defence Forces Appeal Board. He also represents the Principal Secretary, The National Treasury on the Board of Directors of Kenya Forest Research Institute (KEFRI).</p> <p>Mr. Ongei is currently the Director of Pensions at the National Treasury.</p>
<p>6.</p>	<div data-bbox="316 667 734 1012" data-label="Image"> </div> <p>Mr. Philip Muraguri Representing Principal Secretary, Ministry of Water, Sanitation and Irrigation.</p> <p>Mr. Philip Muraguri holds a BSc. degree in Chemistry and Meteorology from The University of Nairobi, a MSc. degree in Environmental Legislation and Management from Jomo Kenyatta University of Agriculture and Technology and is currently pursuing a doctorate degree in Environmental Governance and Management.</p>	<p>Mr. Muraguri was born on 1st January, 1982. He is currently the Head of Surface Water Division, State Department for Water and Sanitation.</p> <p>Philip has over 16 years in the water sector. Some of the professional trainings he has undertaken include Hydrological Modelling (Kenya), Hydro Infrastructure Development and Management (South Korea), Rainwater Harvesting and Utilization (China), Integrated Lake Basin Management (Japan), Integrated Management of Water Resources (Brazil), Water Management, Treatment and Salinity Control (Egypt) and Water Audit and Rainwater Harvesting (India). He is a member of the Hydrological Society of Kenya and Environmental Institute of Kenya.</p>



<p>7.</p>	 <p>Ms. Judy Chepkirui Representing the Attorney-General</p> <p>Ms. Judy Chepkirui holds a Bachelor’s Degree in Law from Moi University. She is currently pursuing her Masters in Law at the University of Nairobi.</p>	<p>Ms. Chepkirui was born on 1st January, 1991. She is a highly dedicated and results oriented legal professional with 9 years’ experience in various legal practice areas straddling private and public sectors. She is a Certified Public Secretary (CPS K) and also holds a Postgraduate Diploma in Law from the Council for Legal Education.</p>
<p>8.</p>	 <p>Mr. Nyaga Itumu Chief Hydrologist, State Department of Water and Sanitation.</p> <p>Mr. Nyaga holds a BSc (Hons) degree from university of Nairobi.</p>	<p>Mr. Nyaga was born on 27th December, 1965. His professional background spans over 32 years and he has garnered considerable experience as a hydrologist in various districts and counties. He is a registered Environmental Impact Assessment /Environmental audit EIA/EA Lead expert. He has worked as District project coordinator for a donor funded project for 10 years and as county project coordinator for 10 years. He is a Board Member of the Hydrologist Registration Board by virtue of his position as the Chief Hydrologist, MWSI.</p>
<p>9.</p>		<p>Eng. Mbarua was born on 30th June, 1964. Eng. Mbarua has over 30 years’ overall experience in design and construction supervision of bitumen and gravel standard roads and</p>



	 <p>Eng. Mbarua Joachim Representing Principal Secretary, State Department for Roads</p> <p>Eng. Mbarua holds a BSc Civil Engineering from the University of Nairobi. He is a Registered Professional engineer with the Engineer' Registration Board of Kenya and is a Corporate Member of the Institution of Engineers of Kenya.</p>	<p>associated drainage, he has extensive experience in planning, directing, control and implementation of civil engineering programs. He has supervised several road projects (especially in Quality Control aspects) in Kenya and the region. He was a Chief Engineer (Materials) at Materials Testing and Research Directorate, State Department for Roads, Ministry of Roads and Transport. He retired from service on 30t June, 2025.</p>
10.	 <p>Mr. Antony Mwenje Registrar/Chief Executive Officer</p> <p>Mr. Mwenje is a Professional Hydrologist who holds a BSc. degree in Hydrology from the University of Nairobi, a MSc. degree in</p>	<p>Mr. Mwenje was born on 17th May, 1967. He began his career with the Ministry of Water and has since worked as a Hydrologist and District Water Officer in various districts, as a Water Conservation Officer and as Water Resources Specialist with the Water Resources Authority and with the ADB-funded Ewaso Ng'iro North Natural Resources Management Project, respectively. He has honed his management and leadership skills by undertaking training in Strategic Leadership Development and Management courses. He is currently the Registrar/Chief Executive Officer and ex-officio member of the Board.</p>


	<p>Integrated Water Management from the University of Queensland in Brisbane, Australia, and a Post-graduate diploma in Applied Hydrology and Information Systems for Water Management jointly from the University of Nairobi and the Institute for Meteorological Training and Research, Nairobi.</p>	
<p>11.</p>	<div data-bbox="323 734 576 1066" data-label="Image"> </div> <p>Ms. Rose Nyakwana Ag. Corporation Secretary/ Head of Legal.</p> <p>Rose holds a Bachelor of Arts degree in Public Administration from Punjab University; LLB from Benares Hindu University; a Post-Graduate diploma from the Kenya School of Law; and LLM in International Trade Law and Investment, from the University of Nairobi.</p>	<p>Ms. Rose Nyakwana was born on 25th March, 1970. She is an advocate of the High Court of Kenya, a Commissioner for Oaths, a State Counsel for over ten (10) years and has practiced for more than fifteen (15) years.</p> <p>Rose has undertaken many professional courses, including: Regional Integration Course by KOICA, in Korea; Senior Management Course at the Kenya School of Government (KSG); Strategic Leadership course at the KSG; Governance courses at KSG and Kenya College of Accountancy; and International Investment Law and Dispute Resolution.</p> <p>Rose is a member of the Law Society of Kenya in good standing and a member of Federation of Women Lawyers, Kenya.</p>

4. KEY MANAGEMENT TEAM

SN	Management	Details
1.	 <p>Mr. Antony Mwenje</p> <p>Mr. Mwenje is a Professional Hydrologist who holds a BSc. degree in Hydrology from the University of Nairobi, a MSc. degree in Integrated Water Management from the University of Queensland in Brisbane, Australia, and a Post-graduate diploma in Applied Hydrology and Information Systems for Water Management jointly from the University of Nairobi and the Institute for Meteorological Training and Research, Nairobi.</p>	Registrar/Chief Executive Officer
2.		Manager, Registration & Licensing

	 <p>Ms. Georgia Mwendwa</p> <p>She holds a degree in Environmental Science (Egerton University) and a Master of Science degree in Integrated Watershed Management from Kenyatta University.</p>	
3.	 <p>Ms. Rose Nyakwana</p> <p>Rose holds a Bachelor of Arts degree in Public Administration from Punjab University; LLB from Benares Hindu University; a Post-Graduate diploma from the Kenya School of Law; and LLM in International Trade Law and Investment, from the University of Nairobi.</p>	Ag. Corporation Secretary/ Head of Legal.

4.	 <p>Mr. Julius Muindi</p> <p>He holds a Bachelor's degree in Science (Meteorology) from the University of Nairobi.</p>	Senior Principal Water Research Officer.
5.	 <p>Mr. Henry Moochi</p> <p>Mr Henry Moochi holds a BBA degree majoring Human Resource Management from Bugema University Uganda. He holds a Diploma in Leadership Studies from the East Africa Institute of Information Studies, as well as a Certificate in Business Use of Computers from the Kenya Christian Industrial Training Institute. He is an Associate Member of the Institute of Human Resource Management (IHRM).</p>	Human Resource Management & Development Officer

6.	 <p>Mr. Dennis Ouko He holds a Bachelor's degree in Business Administration from St. Pauls University, a Post-Graduate diploma in Business Administration from the Jomo Kenyatta University of Agriculture and Technology (JKUAT), a Diploma in Purchasing and Supplies Management from JKUAT.</p>	Senior Supply Chain Management Officer
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5. CHAIRPERSON'S STATEMENT

It is my great honour and pleasure to present the Hydrologists Registration Board's Annual Report and Financial Statements for the period ended 30th June, 2025.

Achievements

During the year under review the Board was able to achieve the following:

- i. Completion of the review of the Strategic Plan 2023–2027, to align with it with MTP IV (2023–2027) and the Bottom-Up Economic Transformation Agenda (BETA).
- ii. Developed the Draft Hydrologists (Amendment) Bill, 2025, subjected it to public participation, and submitted it for review by the Attorney-General.
- iii. Re-engineering and uploading of fifteen (15) processes onto the E-Citizen platform for improved accessibility and transparency.
- iv. Three (3) project concept notes developed for funding consideration by the National Treasury and other development agencies.
- v. The draft Continuous Professional Development (CPD) Policy was subjected to stakeholders' validation. The draft CPD Courses Curriculum and the draft Guidelines for the Preparation of Hydrological Reports were subjected to public participation for input and comments.
- vi. Induction of Board Members

Challenges

The Board was disbanded on 10th July, 2023 and remained partially constituted at the start of the Financial Year 2024/2025, with only three appointed Members. Full constitution was achieved in February 2025 following the gazettelement of two Independent Members. The absence of a functional Board during this period delayed approval of key instruments, including the Strategic Plan 2023-2027, the Continuous Professional Development (CPD) Policy and the Draft Hydrologists (Amendment) Bill, 2025, among others.

The Hydrologists Registration Board (HRB) was listed among institutions earmarked for defunding, following which The National Treasury suspended major activities, including development and processing of legal instruments and staff recruitment. However, HRB has been allocated a budget for FY 2025/2026 and normal activities continue.

HRB developed the Draft Hydrologists (Amendment) Bill, 2025, subjected it to public participation, and submitted it for review by the Attorney-General. The Bill was later returned to the Ministry of Water, Sanitation and Irrigation for Cabinet processing. Further progress was halted due to directives on State Corporations Reforms, and by 30th June, 2025, the situation remained unchanged. This has adversely affected implementation of the Hydrologists Regulations.

As at 1st July, 2024, HRB had only three (3 no.) substantive staff against an approved establishment of seventy-eight (78 no.). Although Ksh. 15 Million was allocated for the recruitment of nine additional staff, the exercise was suspended in line with the National Treasury directive to halt further processes until ongoing reforms on State Corporations were completed. Hence, no recruitment was undertaken by the end of the Financial Year.

In compliance with Government directives to align with MTP IV (2023–2027) and the Bottom-Up Economic Transformation Agenda (BETA), HRB developed the Strategic Plan 2023–2027. Approval was delayed due to the absence of a functional Board but was granted once the Board was fully constituted.


Way Forward

HRB's growth and ability to meet its core mandate is directly related to the finalization and enactment of the Hydrologists (Amendment) Bill, 2025 to be followed shortly thereafter with the gazettelement of the Hydrologists Regulations. The Board is therefore hopeful that the remaining processes in processing the legal instruments will be fast-tracked through the Cabinet, Parliament, and the Attorney General's office.

Acknowledgement

I am sincerely grateful to have been appointed as the Chairperson of the Board of Directors in the FY under review. Most of the other Board Members were also appointed in FY 2024/2025. The Board is therefore currently fully constituted and has been discharging its duties as required. It is my commitment, and that of my fellow Board Members, to steer the Authority to greater heights under the guidance of this capable team.

My sincere appreciation goes to the Cabinet Secretary, Ministry of Water, Sanitation and Irrigation and to the Principal Secretary, State Department for Water and Sanitation for their continued financial, administrative and technical support. I would like to appreciate the Board of Directors for their zeal and eagerness to ensure that the Board's operationalization process is completed. The Board will continue collaborating with the Registrar and his Management team to unlock greater opportunities for HRB.



.....
DR. FAITH KINYA MITHEU

CHAIRPERSON - HYDROLOGISTS REGISTRATION BOARD

6. REPORT OF THE REGISTRAR/CHIEF EXECUTIVE OFFICER

During the reporting year, the Board was allocated Ksh. 40,000,000 under the Recurrent budget. By the end of the financial year, the Board had received Ksh. 36,666,665, while the balance of Ksh. 3,333,334 was received on 8th July, 2025. Out of this, Ksh. 15,000,000 was allocated for Operations and Maintenance while Ksh. 25,000,000 was budgeted for Personnel Emoluments. The Board had intended to recruit nine (9 no.) additional staff to supplement the three substantive staff in-post. However, the recruitment exercise was not undertaken due to a National Treasury to halt the process until a decision had been made on the proposed reforms of State Corporations initiated by the Cabinet.

Lack of adequate staff, especially in key Directorates and Departments such as Finance & Accounting, Internal Audit, Procurement and Legal Services/Corporation Secretary led to several challenges in operational, governance and compliance. These challenges would otherwise have been avoided or adequately dealt with if there were adequate core staff.

The Board of Directors was not fully constituted during part of the Financial Year 2024/2025, having been disbanded in July, 2023. By 1st July, 2024, only three (3) Directors had been re-appointed. A Full Board was only fully constituted by February, 2025. This adversely affected governance and operational matters, including achievement of the Board's core mandates.

Due to inadequate funding, the Board was unable to recruit additional staff during the course of the year. Currently the Board has only three (3) staff out of an approved staff establishment of seventy-eight (78).

Achievements

Notable achievements were recorded in the period ending 30th June, 2025.

The Board continued the development of the draft Hydrologists (Amendment) Bill, 2025. This instrument is key in facilitating the implementation of the Board's draft Hydrologists Regulations. The draft Bill was approved by the new Board and forwarded to the Attorney-General for review. The A-G thereafter submitted the Bill to the Cabinet Secretary for signing and transmission to Cabinet for approval.

The Board's Performance Contract for FY 2024/2025 was signed on 16th April, 2025 and was implemented as required during the period under review. Quarterly achievement reports were prepared, approved by the Board and forwarded to the respective oversight bodies.

The Board developed its Strategic Plan 2023-2027, in line with the Government's Bottom-Up Economic Transformation Agenda (BETA). After the re-constitution of the Board, the Strategic Plan was approved and was implemented during the year under review.

The Board also finalized the draft Continuous Professional Development (CPD) Policy and presented it to stakeholders for validation. An initial draft of the proposed CPD Course Curriculum was also developed and submitted to stakeholders for comments.

The draft Guidelines for the Preparation of Hydrological Reports were formulated and shared with stakeholders for their comments. These Reports are key in ensuring that the Board meets one of its core mandate, which is the certification of studies and reports for the implementation of hydraulic structures. The Guidelines will be validated during the FY 2025/2026.

The Board continued the implementation of the HRB's Human Resource and Policy Instruments, including the Remuneration and Grading structure, following its approval by the Salaries and Remuneration Commission.

The Board continued the re-engineering of its business processes, that had been initiated in the previous Financial Year. Fifteen (15 no.) services were re-engineered and on boarded onto E-Citizen. However, they cannot presently be made available to the public until the draft Hydrologists (Amendment) Bill is enacted and the Draft Hydrologists Regulations gazetted.

The services include the Registration, issuance and renewal of annual practicing licenses for Hydrological Technicians, Associate Hydrologists, Hydrologists, Consultant Hydrologist and Temporary Hydrologists. The Board also developed its Productivity Metrics, under the Productivity Mainstreaming requirements.

In furtherance of Government's Tree-Growing campaign, the Board was able to plant 3500 tree seedlings in Machakos and in Laikipia Counties.

Board Management joined the Ministry of Water, Sanitation and Irrigation's top management and staff, other Water Sector Agencies, various other organizations and the public in marking the World Day for Water celebrations held on 22nd March, 2025 in St. Joseph Tigithi Boys High School, Laikipia County.

I wish to extend my heartfelt appreciation to the Cabinet Secretary, Ministry of Water, Sanitation and Irrigation and to the Principal Secretary, State Department for Water and Sanitation for their prompt and continued guidance on various matters touching on funding, governance, operations and performance. I also acknowledge the Board of Directors for their oversight role and direction in addressing key issues that have been slowing the Board's progress. I wish also to appreciate the considerable input by Board staff and officers deployed from the State Department for their considerable input.



.....
ANTONY MWENJE

REGISTRAR/ CHIEF EXECUTIVE OFFICER

**7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES
FOR FY 2024/2025**

The Hydrologists Registration Board (HRB) implements its activities in line with the Strategic Plan for the period 2023–2027, which is anchored on five (5) Strategic Objectives aimed at realizing the Board’s mandate as provided under the Hydrologists Act, 2017. These strategic objectives are as follows:

Strategic Objective 1: To coordinate, regulate and oversee the practice of hydrology.

Strategic Objective 2: To coordinate research, investigations and surveys in the hydrological field.

Strategic Objective 3: To certify hydrological studies and reports necessary for the design of hydraulic structures.

Strategic Objective 4: To partner with five (5) organizations in research, training and resource mobilization by 2027.

Strategic Objective 5: To build institutional capacity by the year 2027.

The implementation of the HRB Strategic Plan, 2023-2027 is guided by annual work plans and performance contracts that are reviewed on a quarterly basis to assess progress towards achieving planned targets. During the FY 2024/2025, HRB achieved its performance targets set for FY 2024/2025 for its strategic objectives, as indicated in the table below.

Strategic Objective	Key Performance Indicators	Activities	Achievements
To coordinate, regulate and oversee the practice of hydrology.	Level of Compliance	Registration and licensing of hydrology professionals; development of the Code of Conduct and Ethics	The Board has developed the draft Hydrologists Regulations to guide registration and licensing of hydrology professionals. The draft regulations are awaiting gazettelement before

			implementation commences. The process of finalization was put on hold due to the Government's decision to suspend processing of legal instruments.
To coordinate research, investigations and surveys in the hydrological field.	Percentage increase in scientific research, investigations and survey reports	Development of policy and guidelines for research coordination	The development of the Research and Investigations Policy is yet to commence due to resource constraints.
To certify hydrological studies and reports necessary for the design of hydraulic structures.	Percentage of certified hydrological studies and reports	Development of guidelines for preparation of hydrological reports	The Board developed draft guidelines for preparation of hydrological reports. These were subjected to public participation on 30 th June 2025. Stakeholder feedback will be incorporated before final approval and adoption in FY 2025/2026.
To partner with five (5) organizations in research, training and resource mobilization by 2027.	Percentage increase of mobilized financial resources	Development of a Resource Mobilization Policy and Strategy	The Board developed three Project Concept Notes to guide future funding proposals. Development of a Resource Mobilization

			Strategy will commence in FY 2025/2026.
	Percentage increase of institutions in partnerships for training and research.	Engagements and signing of MoUs with key institutions (KEWI, universities, and development partners).	The Board has developed a draft Memorandum of Understanding (MOU) with the Kenya Water Institute (KEWI) on research and training. The Board has also identified three other institutions that it intends to partner with, following mutual agreements. The institutions are Jomo Kenyatta University of Agriculture and Technology, Egerton University and University of Nairobi.
To build institutional capacity by the year 2027	Percentage increase of staff recruited.	Human Resource and Policy Instruments implemented.	The Board sort approval to recruit nine staff members. Recruitment was, however, put on hold following the Cabinet announcement of 21 st January 2025 on State Corporation Reforms.

	Staff Productivity index.	Productivity Mainstreaming entrenched.	The Productivity Mainstreaming Committee developed the Board's Productivity Metrics to measure efficiency..
	Percentage level of employees' satisfaction.	Citizen's Charter developed and implemented.	The Board continued to implement its Citizen's Charter to improve service delivery standards.
	Percentage level of awareness of the services provided by the Board.	Skills gaps analysis and training undertaken.	A skills gap analysis was undertaken for staff and Board members. Targeted capacity-building programs were implemented during the year.
	Percentage of effectiveness of capacity building programs executed.		The Board Members and staff attended a capacity building training during the FY 2024/2025

Link to Performance Contract

Implementation of the above activities was closely tied to the Board's Performance Contract for FY 2024/2025, which reflected the five strategic pillars of the Strategic Plan (2023–2027). Quarterly performance reviews were undertaken to track progress against targets and ensure alignment with the Board's annual work plan and budget.

Overall, the HRB achieved most of its planned outputs in regulatory framework development, stakeholder engagement, and capacity building, despite challenges arising from the national State Corporation Reforms and delayed policy approvals.

8. CORPORATE GOVERNANCE STATEMENT

The Hydrologists Registration Board (HRB) is committed to upholding the highest standards of corporate governance, transparency, and accountability in the execution of its mandate as provided under the Hydrologists Act, 2017 and the Code of Governance for State Corporations, *Mwongozo* (2015). The Board recognizes that good governance is essential in achieving effective leadership, prudent management of public resources, and enhanced service delivery to stakeholders.

i. Appointment of Board Members

- a. The Governing Board of the Hydrologists Registration Board (HRB) comprises of:
- b. The Board Chairperson, appointed by the Cabinet Secretary.
- c. Two Independent Board Members nominated by the Hydrologists Registration Board and appointed by the Cabinet Secretary.
- d. The Chief Hydrologist in the State Department for Water and Sanitation, appointed by the Cabinet Secretary.
- e. Five alternate members representing the Principal Secretaries for the State Department for Water and Sanitation; The National Treasury and Planning; State Department for Roads; the Director-General, National Environmental Management Authority; and the Attorney-General. All these are nominated by their respective Accounting Officers.
- f. The Registrar/Chief Executive Officer appointed by the Cabinet Secretary.

Directors are appointed and serve for a term of three years, which may be renewed for a further final term of three years. Appointments are made by the Cabinet Secretary in accordance with the Hydrologists Act, 2017 and the State Corporations Act (Cap. 446). In making the appointments, considerations are given to professional qualifications, experience, gender balance, regional representation and diversity.

Removal of Directors follows the provisions of the enabling legislation and the Code of Conduct for State Corporations, *Mwongozo*. At the expiry of a Director's term, the Appointing Authority/Accounting Officer is notified and requested to appoint/nominate a replacement according to laid down procedures.

A Board Charter was developed and approved in January, 2020 and is used to guide the operations, roles, and responsibilities of the Board and its Committees.

ii. Roles and Functions of the Board

The Board provides strategic leadership, oversight, and policy direction in line with its mandate. Its key functions include:

- a) To regulate, co-ordinate and oversee practice of hydrology;
- b) To promote standards of professional competence and practice amongst hydrologists;
- c) To coordinate research, investigations and surveys in hydrological field;
- d) To recognize institutions that furnish a sufficient guarantee of academic knowledge of practical experience in hydrology;
- e) To demand and certify hydrological studies and reports necessary for design of hydraulic structures;
- f) To collaborate with other bodies or organizations in development of programs and facilities for advancement of hydrology and well-being of hydrologists; and
- g) To perform any other function that is incidental or consequential to its functions under this Act any other written law.

Roles

- a) Approving strategic plans, budgets, and policies.
- b) Ensuring effective governance and accountability.
- c) Monitoring implementation of the Hydrologists Act, 2017.
- d) Oversight of risk management, internal controls and financial performance.
- e) Ensuring compliance with laws and regulations.
- f) Promoting ethical conduct and stakeholder engagement.

iii. Induction, Training and Development

All Board Members undergo induction and continuous professional development to enhance their capacity and effectiveness.

During the FY 2024/2025, Board Members attended induction and capacity-building programs facilitated by the Kenya School of Government, Institute of Certified Secretaries and internal HRB

programs. These trainings covered governance, leadership, financial management, risk oversight and technical issues relevant to the Board's operations.

S/No.	Activity	Date	Facilitator
1.	Capacity Building Program for Board Chairpersons, Board Members & CEOs of Regulatory Authorities & Agencies	16 th – 18 th September, 2024 and 23 rd – 25 th September, 2025	Kenya School of Government
2.	Board Members Induction Workshop	2 nd – 6 th December, 2024	HRB
3.	Audit, Risk And Compliance Oversight Program For Public Sector Boards	18 th – 20 th February, 2025	Kenya School of Government
4.	Induction Training for the Board Chairperson and Independent Board Members	17 th – 19 th March, 2025	HRB
5.	Board Chairperson & Strategy and Technical Committee Induction Training	27 th – 29 th March, 2025	Institute of Certified Secretaries

iv. Board and Members' Performance

The Board conducts annual evaluations of its performance, including self-assessment and peer reviews, in line with the Code of Governance for State Corporations, *Mwongozo* provisions. In the FY 2023/2024 the Board did not undertake the Self Performance Evaluation exercise since the Board was not fully constituted at that time. Performance evaluation covers the effectiveness of the full Board, its Committees and individual members in executing their oversight roles.

The Board Self Performance evaluation exercise is guided by officers from the State Corporation Advisory Committee. The evaluation exercise for FY 2024/2025 was conducted on 14th August, 2025 and the evaluation report was presented during the Board Meeting held on 13th October, 2025. The Performance Improvement Plan will be developed from 26th – 28th November, 2025, and the result will be used to enhance governance processes, strengthen accountability and guide future training needs.

v. Number of Board Meetings and Attendance

During the 2024/2025 financial year, the Board held five (5) full Board meetings and several Committee meetings.

All members received timely information and documentation to facilitate effective participation. Attendance and participation levels remained high, demonstrating strong commitment to HRB's objectives.

The following is a Summary of the Board and Committee Meetings that were held during the FY 2024/2025

Full Board Meetings

S/No.	Meeting	Date	Attendance	Percentage
1.	12 th Full Board Meeting	30 th September, 2025	5	83.33%
2.	13 th Full Board Meeting	21 st November, 2025	6	100%
3.	14 th Full Board Meeting	14 th January, 2025	6	100%
4.	15 th Full Board Meeting	14 th April, 2025	9	100%
5.	16 th Full Board Meeting	15 th May, 2025	8	88.9%

Strategy and Technical Committee

S/no.	Meeting	Date	Attendance	Percentage
1.	12 th Strategy and Technical Committee Meeting	3 rd October, 2024	3	100%
2.	13 th Strategy and Technical Committee Meeting	8 th January, 2025	3	100%
3.	14 th Strategy and Technical Committee Meeting	11 th April, 2025	3	100%

Finance, Human Resource and Governance Committee

S/no.	Meeting/Activity	Date	Attendance	Percentage
1.	13 th Finance, HR and Governance Committee Meeting	1 st October, 2024	3	100%
2.	14 th Finance, HR and Governance Committee Meeting	6 th January, 2025	3	100%
3.	14 th Finance, HR and Governance Committee Continuation Meeting	13 th January, 2025	3	100%
4.	15 th Finance, HR and Governance Committee Meeting	4 th April, 2025	3	100%
5.	15 th Finance, HR and Governance Committee Continuation Meeting	10 th April, 2025	3	100%

Audit, Risk and Compliance Committee

S/No.	Meeting/Activity	Date	Attendance	Percentage
1.	10 th Audit, Risk and Compliance Committee Meeting	28 th October, 2024	3	100%
2.	11 th Audit, Risk and Compliance Committee Meeting	3 rd February, 2025	3	100%

vi. Succession Plan

The development of a Succession Plan Policy is underway and will be finalized in the FY 2025/2026.

vii. Policy to Manage Conflict of Interest

The Board has adopted a Conflict of Interest Policy consistent with the Leadership and Integrity Act (2012) and the Code of Governance for State Corporations, *Mwongozo*.

All members are required to declare interests at the start of each meeting and declarations are recorded in the Conflicts Register and in respective Minutes. No conflict of interest was declared during the year under review.

viii. Board Remuneration

Board Members' remuneration and allowances are implemented as guided by the Office of the President circular of 23rd November, 2004 on Guidelines on Terms and Conditions of Service for State Corporations' CEO's, Chairpersons and Board Members; Salaries and Remuneration Commission circulars; and other Government directives as issued from time to time. Board members are paid sitting allowance, accommodation allowance, lunch allowance and transport upon invitation and attendance of Board and Committee meetings and other official functions. The Board Chairperson is paid monthly honorarium and airtime allowance.

ix. Ethics and Conduct

The Board upholds the highest standards of ethics, integrity and professionalism.

Members are bound by the Code of Conduct and Ethics for Public Officers and the Code of Governance for State Corporations, *Mwongozo*. All Board activities are conducted in line with the values of transparency, accountability and service to the public.

x. Governance Audit

The Board plans to undertake a Governance Audit in the Financial Year 2025/2026.

xi. Communication Policy

The Board has developed a draft Communication Policy which will be finalized in FY 2025/2026. In the meanwhile, the Board is guided by the Communication Policy issued by the Ministry of Information and Communication Technology.

xii. Terms of Reference of Committees

The Board has established three Committees to enhance efficiency in executing its oversight responsibilities:

1. Strategy and Technical Committee – oversees strategic planning, policy development and implementation of the Hydrologists Act, 2017.
2. Finance, Human Resource and Governance Committee – oversees financial management, budgeting, HR and governance processes.

3. Audit, Risk and Compliance Committee – oversees financial reporting, risk management and compliance.

Each Committee has developed its respective Charter with specific Terms of Reference which guide their operations.

xiii. Policy on Related Party Transactions

The Board is currently in talks with several institutions for partnerships and collaborations in training, research and resource mobilization. Before entering into MoUs, the Board will finalize its RPT Policy in FY 2025/2026.

9. MANAGEMENT DISCUSSION AND ANALYSIS

Overview of the Hydrologists Registration Board (HRB)

HRB is a regulatory state corporation established under the Hydrologists Act, No. 19 of 2017, with the mandate to regulate, coordinate, and oversee the professional practice of hydrology in Kenya. The Board's core functions include registration and licensing of hydrologists, setting standards for professional training and ethics, advising the government on hydrology-related matters, and promoting research and capacity development in the water sector.

The Board operates under the Ministry of Water, Sanitation, and Irrigation and contributes to Kenya's national goals on sustainable water resource management and climate resilience. HRB's work is directly aligned with Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA), and Sustainable Development Goal 6 – Clean Water and Sanitation.

Review of the Economy and Sector

The Kenyan economy recorded moderate growth during FY 2024/2025, driven by improved agricultural productivity and infrastructure development. The water and environment sector continued to play a key role in supporting sustainable economic growth, particularly through integrated water resource management, catchment protection, and improved water governance.

As a Board, our key priorities processing its legal instruments so as to ensure Hydrology professionals are well regulated while conducting hydrological assessments and preparing reports for the design of hydraulic structures, fostering partnerships to enhance climate and water security initiatives, all of which are key in ensuring sustainability of water projects and thereby contributing to the economy.

Operational and Financial Performance

Operational Performance

Strategic Area / Key Activity	FY 2022/2023 Achievements	FY 2023/2024 Achievements	FY 2024/2025 Achievements (Current Year)	Remarks / Impact
Regulatory and Legal Framework	Draft Hydrologists Regulations developed and	Follow-up on approval processes for	Draft Hydrologists (Amendment) Bill, 2025 and	Key legal instruments awaiting finalization

	submitted to Attorney General. Hydrologists (Amendment) Bill, 2023 finalized and submitted to Cabinet Secretary.	Regulations and Amendment Bill.	Draft Regulations developed.	pending State Corporation reforms; critical for full operationalization of the Act.
Governance and Compliance	Performance Contract signed. Board Charter implemented.	Performance Contract for the FY signed. Continued implementation of Board Charter.	Performance Contract for the FY signed. Quarterly and annual governance reports prepared. Continued implementation of Board Charter.	Strengthens governance, transparency, and reporting compliance in line with government requirements.
Human Resource & Institutional Capacity	HR Policy Instruments developed and implemented. The first recruitment of three staffs was achieved. SRC-approved grading and salary structure implemented.	Continued roll-out of HR instruments and grading structure.	Ongoing implementation of HR policies to support organizational capacity. The Board sought approval for the recruitment of nine additional staff however the process was put on hold following the State Corporation Reforms initiated by the Cabinet.	Supports staff productivity, compliance with HR frameworks, and institutional efficiency.
Professional Standards Development	Continuous Professional Development (CPD) Policy developed.	CPD Course Curriculum was developed.	Guidelines for the Preparation of Hydrological Reports were developed.	Enhances professional development and regulatory compliance

				among hydrologists.
Policy Development & Operational Frameworks	Risk Management Framework Policy and Road Safety Policy developed and implemented.	Continued compliance monitoring and implementation.	Business Process Re-engineering: 15 processes re-engineered for on-boarding onto E-Citizen.	Enhances efficiency, transparency, and digitization of services.
Strategic Planning	The Strategic Plan 2022-2026 was developed and approved.	Continued Implementation of the Strategic Plan	The Strategic Plan 2022-2026 was reviewed to align it with the MTP IV and the Bottom-Up Economic Transformation Agenda and the Strategic Plan 2023–2027 developed; planned for launch in FY 2025/2026.	Provides long-term strategic direction and prioritization of resources.
Project Development & Resource Mobilization	—	—	Three (3) Project Concept Notes (PCNs) developed.	Guides future funding proposals and donor engagement.
Stakeholder Engagements	The Strategic Plan 2022-2026 was subjected to Public Participation	The Hydrologists (Amendment) Bill, 2024 was subjected to Public Participation	The CPD Policy, CPD Course Curriculum and the Guidelines for the Preparation of Hydrological Reports was subjected to Public Participation	Strengthens partnerships, enhances policy acceptance, and improves sector collaboration.

During the three-year period under review, the Hydrologists Registration Board continued to strengthen its institutional capacity, regulatory framework, and service delivery mechanisms in line with its mandate under the Hydrologists Act, 2017. The operational performance demonstrated

sustained progress across governance, human resource development, digital transformation, stakeholder engagement, and policy reforms.

In FY 2022/2023, the Board focused on establishing foundational regulatory and institutional instruments, including the development of draft Regulations, the Amendment Bill and the Continuous Professional Development (CPD) framework. These initiatives laid the groundwork for improved governance, regulatory compliance and professional standards within the hydrology sector.

Progress continued in FY 2023/2024 with emphasis on the implementation and consolidation of earlier reforms. However, during the period, the Board faced challenges related to its composition. In July 2023, the Board was disbanded following a court case in which the Independent Board Members were sued by the Hydrological Society of Kenya on grounds that they were not hydrologists by profession and were therefore not eligible for nomination to the Board. Additionally, the Auditor raised concerns regarding gender imbalance in the composition of the Board.

In the FY 2024/2025, the Board achieved significant milestones aligned with modernization and digital transformation. The development of the Strategic Plan 2023–2027 positions the institution for long-term strategic growth and prioritization. Business Process Re-engineering, covering 15 key processes, marked a major advancement toward full onboarding onto the E-Citizen platform to enhance transparency, efficiency, and user access. The preparation of three Project Concept Notes (PCNs) reflects an enhanced focus on resource mobilization and project development for future funding opportunities.

Additionally, the development of the Draft Hydrologists (Amendment) Bill, 2025 and updated Regulations demonstrates continued commitment to strengthening the regulatory environment, despite pending State Corporation reforms delaying final approval. Stakeholder engagements, workshops, and technical meetings in the year further reinforced partnerships and enhanced sector collaboration. Corporate governance reporting obligations were fully met through preparation of quarterly and annual reports, ensuring compliance with statutory requirements.

Overall, the Board's operational performance over the three years shows consistent advancement in its regulatory mandate, internal capacity, governance systems, and service delivery. These

achievements provide a strong foundation for improved operational efficiency and strategic positioning in the upcoming financial years.

Financial Performance

The Board operated within a Recurrent Budget of Ksh. 40 million. The amount was primarily used to support personnel emoluments, governance activities and essential operations. Despite the modest allocation, the Board was able to meet notable achievements.

Efforts to enhance financial sustainability included the development of project concept notes for submission to development partners and government funding mechanisms. These concept notes aim to mobilize resources for institutional capacity development, and research in hydrology.

Summary of Recurrent Budget

Financial Year	Recurrent Budget Allocation	Actual Expenditure	Performance (%)	Remarks
2021/2022	15,000,000	14,996,268	99.98%	Full absorption
2022/2023	25,000,000	16,194,376	64.78%	In FY 2022/2023, the Board was allocated Ksh. 10 million for the recruitment of three officers and for payment of the Registrar/CEO's arrears. The recruitment exercise was conducted in June 2023; therefore, the budget for Personnel Emoluments (PE) was not utilized.
2023/2024	25,000,000	26,334,511	105.34%	The over-expenditure was due to the settlement of pending bills accrued in previous financial years, amounting to Kshs. 1,351,208.

2024/2025	40,000,000	33,924,464	84.81%	In the FY 2024/2025, the Board was allocated Ksh. 15 million for the recruitment of nine officers. However, the recruitment process was put on hold following the State Corporation Reforms initiated by the Cabinet in January 2025. Consequently, the budget allocated for recruitment was not utilized.
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Currently the Board does not have key projects that it is implementing. In the FY 2024/2025 the Board developed three Project Concept Notes (PCNs). The PCNs have been forwarded to the National Treasury for consideration and budget allocation.

Achievements During the Period

- i. Institutional Strengthening - Completion of the Strategic Plan 2023–2027, development of HR and organizational structure proposals, and initiation of capacity development programs.
- ii. Regulatory and Policy Frameworks - Drafting of the Hydrologists (Amendment) Bill, 2025 and supporting Regulations; review of operational guidelines and registration criteria.
- iii. On-boarding of Government Services onto the E-Citizen Platform - Re-engineering and uploading of fifteen (15) processes onto the E-Citizen platform for improved accessibility and transparency.
- iv. Resource Mobilization and Partnerships - Three (3) project concept notes developed for funding consideration by the National Treasury and other development agencies.
- v. Governance and Accountability - Completion of the external audit process by the Office of the Auditor General and timely submission of all performance reports.
- vi. Stakeholder Sensitization – The draft Continuous Professional Development (CPD) Policy was subjected to stakeholders’ validation. The draft CPD Courses Curriculum and the draft Guidelines for the Preparation of Hydrological Reports were subjected to public participation for input and comments.

Major risks facing the Board

Operational Risks:

- a) There are only three (3 no.) staff in-post out of an approved staff establishment of seventy-eight (78 no.). This imposes the risk of inability to meet the Board's mandate. The Ministry has temporarily deployed seven other officers to offer additional administrative and technical support to the Board, but they are still required to undertake their normal duties in their respective Departments. The risk exists therefore of the Board being unable to achieve the desired level of operational efficiency.
- b) The limited office space and lack of official vehicles restricts the ability of Board Members and staff to operate optimally.

Financial Risks:

- a) The Board's limited Recurrent budget of Ksh. 40,000,000 exposes it to risks of having inadequate funds for Board activities and for Operation & Maintenance.

Compliance and Regulatory Risks

- a) The delays in finalization of crucial regulatory and policy instruments, such as the draft (Hydrologists) Amendment Bill, 2025 and the draft Hydrologists Regulations exposes the Board to risks. The Bill has been delayed due to Government's directive following the beginning of reforms on state Corporations.

5. Future Outlook

- i. Finalization of enabling legislation and regulatory frameworks.
- ii. Recruitment of core staff to full operationalize the Board.
- iii. Full digital transformation of registration, licensing, and service delivery systems.
- iv. Implementation of resource mobilization initiatives to enhance sustainability.
- v. Establishment of collaborative networks to promote research, data sharing, and innovation in hydrology.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Introduction

HRB is mandated under the Hydrologists Act, 2017 to regulate, coordinate, and oversee the professional practice of hydrology in Kenya. Its core functions include registration of qualified hydrologists, setting standards for training and practice, and promoting the sustainable use and management of the country's water and hydrological resources.

Sustainability is central to the Board's operations as it ensures continuity in providing quality hydrological regulation and professional services that contribute to sustainable water resource management. The Board's strategy on sustainability aligns with Kenya Vision 2030, the Sustainable Development Goals (SDGs) notably SDG 6 (Clean Water and Sanitation), SDG 13 (Climate Action), and SDG 15 (Life on Land) as well as the Government's commitment to environmental stewardship and climate resilience.

***i)* Sustainability strategy and profile**

Globally, sustainability priorities are shaped by evolving climate change policies, technological innovations, and socio-economic pressures. Kenya, being a water-scarce country, continues to face challenges of declining water quality and availability due to deforestation, pollution, and climate variability.

In this context, HRB's sustainability priorities are embedded in its Strategic Plan (2023–2027), which emphasizes:

- i. Strengthening governance and regulatory capacity of the hydrology profession.
- ii. Promoting research, innovation, and data-driven approaches to sustainable water resource management.
- iii. Mainstreaming climate adaptation and resilience in hydrological practice.
- iv. Enhancing institutional efficiency through digital transformation and stakeholder collaboration.

HRB's operations are guided by a philosophy of:

- i. Putting the citizen first by ensuring accessible and reliable services.
- ii. Delivering relevant regulatory services that promote sustainable hydrological practices.
- iii. Enhancing operational excellence through continuous improvement, compliance, and innovation.

The Board also continues to integrate sustainability in its work through:

- i. Encouraging ethical hydrological practices that safeguard environmental resources.
- ii. Mainstreaming climate change adaptation in professional standards and guidelines.
- iii. Promoting digital transformation to reduce the use of paper and improve efficiency.

ii) Environmental performance

HRB operates under an Environmental Policy that guides its efforts to minimize environmental impact and promote responsible water management.

Key Environmental Initiatives:

- i. Adoption of a paperless environment through automation of registration and communication processes.
- ii. Introduction of electronic document management to reduce printing and paper waste.
- iii. Provision of segregated waste bins within office premises for proper waste disposal and recycling.
- iv. Regular maintenance of office equipment and vehicles to minimize carbon emissions.
- v. Promotion of water conservation and energy efficiency practices across operations.

Climate Change Initiatives:

HRB champions the integration of climate-smart hydrology in training and professional development.

The Board supports:

- i. Use of climate modelling tools in hydrological forecasting.
- ii. Collaboration with institutions on catchment restoration programs.
- iii. Participation in national tree-planting campaigns aligned with Kenya's target of 15 billion trees by 2032.

iii) Employee welfare

During the financial year under review, the Board had three (3) staff members in post. Although no recruitment was undertaken during the year, HRB remains committed to implementing transparent and inclusive recruitment processes guided by relevant laws, regulations, and public service policies. Future recruitments will consider: Gender balance and diversity in accordance with national gender policy frameworks, Stakeholder engagement and applicable review processes and Competency-based hiring to ensure the Board attracts and retains qualified professionals.

The Board continues to enhance staff welfare and capacity through training and continuous professional development programs aimed at improving skills and efficiency.

In line with the Occupational Safety and Health Act (2007), HRB prioritizes the safety and wellbeing of its employees. During FY 2024/2025, the Board procured comprehensive Medical and Accident Insurance cover for Board and management staff to ensure health security and workplace safety.

iv) Market place practices-

The Board observed the following:

a) Responsible competition practice.

The Board gave fair chance to all their suppliers regardless of their race, ethnicity or disability. Market surveys were always done before procurement.

b) Responsible Supply chain and supplier relations

The Board's procurement process is carried out by requesting quotations from pre-qualified suppliers. Upon receipt of the quotations, a tender opening is conducted, followed by an evaluation process,

after which the qualified supplier is awarded the contract. The supplier is paid within two months after supplying the goods or services and submitting an invoice.

c) Responsible marketing and advertisement

Through the Boards website and social media pages, relevant information has been disseminated to the public thus creating awareness.

d) Product stewardship

Clients' information was ethically and properly kept; Information is only shared to third party upon authorization.

v) Corporate Social Responsibility / Community Engagements

During the year under review, the Board participated in a Corporate Social Responsibility activity by participating in the Tree Growing Campaigns in Muumandu Forest in Machakos County and in St. Joseph Tigithi Boys High School, Laikipia County.

11. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the HRB's affairs.

i) Principal activities

The principal activities of the entity are;

- i. To regulate, co-ordinate and oversee practice of hydrology;
- ii. To promote standards of professional competence and practice amongst hydrologists;
- iii. To coordinate research, investigations and surveys in hydrological field;
- iv. To recognize institutions that furnish a sufficient guarantee of academic knowledge of practical experience in hydrology;
- v. To demand and certify hydrological studies and reports necessary for design of hydraulic structures;
- vi. To collaborate with other bodies or organizations in development of programs and facilities for advancement of hydrology and well-being of hydrologists; and
- vii. To perform any other function that is incidental or consequential to its functions under this Act any other written law.

ii) Results

The results of the entity for the year ended June 30, 2025, are set out on page xxv to xxvi Below is a summary of the achievements made during the year.

- i. Development of the draft Hydrologists (Amendment) Bill, 2025 and draft Hydrologists Regulations to enhance the legal framework for professional practice.
- ii. Signing and implementation of the FY 2024/2025 Performance Contract and submission of quarterly performance reports.
- iii. Development and implementation of the Strategic Plan 2023–2027, aligned to the Government's BETA Agenda.
- iv. Finalization of the Continuous Professional Development (CPD) Policy, draft CPD Curriculum, and Guidelines for Hydrological Reports.
- v. Re-engineering and on boarding of 15 services onto the E-Citizen platform to enhance service delivery.

- vi. Implementation of HR and policy instruments, including the approved Remuneration and Grading Structure.
- vii. Development of Productivity Metrics under the national Productivity Mainstreaming Framework.

iii) Directors

The members of the Board of Directors who served during the year are shown on page xii to xvii. During the year one director Eng. Joachim Mbarua retired on 30th June, 2025.

iv) Surplus remission

The Hydrologists Registration Board did not make any surplus during the FY 2024/2025 and hence no remittance to the Consolidated Fund.

v) Auditors

The Auditor-General is responsible for the statutory audit of the Hydrologists Registration Board in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. The Office of the Auditor General carried out the audit for the year/period ended June 30, 2025.

By Order of the Board



.....

Rose Nyakwana

Deputy Chief State Counsel/Ag. Corporation

Secretary

12. STATEMENT OF DIRECTORS RESPONSIBILITIES

In accordance with Section 81 of the Public Finance Management Act, 2012 and Section 14 of the State Corporations Act, the Management of the Hydrologists Registration Board (HRB) are responsible for the preparation of the Board's financial statements, which give a true and fair view of the state of affairs of the Board as at 30th June, 2025 and of its operating results for the financial year.

The Management Members are responsible for ensuring that the Board maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the Board at any given time. They are also responsible for safeguarding the assets of the Board. Specifically, the Members' responsibilities include: Maintaining effective financial management arrangements throughout the reporting period, Keeping proper accounting records that disclose, with reasonable accuracy, the financial position of the Board, Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements, ensuring they are free from material misstatements due to error or fraud, Safeguarding the assets of the Board, Selecting and applying appropriate accounting policies and Making accounting estimates that are reasonable in the circumstances.

The Directors confirm that the Board's financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and in the manner required by the Public Finance Management Act, 2012 and the State Corporations Act. The financial statements reflect the application of prudent judgments and estimates.

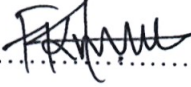
The Directors are of the opinion that these financial statements give a true and fair view of the Board's financial performance and position for the year ended 30th June, 2025. They further confirm the completeness of accounting records and the adequacy of internal financial controls maintained throughout the year.

In preparing the financial statements, the Directors have assessed the ability of the Board to continue as a going concern. Nothing has come to their attention to indicate that the Board will not remain a going concern for at least the next twelve months from the date of this statement.

Hydrologists Registration Board
Annual Report and Financial Statements for the year ended June 30, 2025.

Approval of the financial statements

The Hydrologists Registration Board's financial statements were approved by the Board on _____ 2025 and signed on its behalf by:



.....
Dr. Faith Kinya Mitheu
Chairperson of the Board



.....
Mr. Antony Mwenje
Registrar/Chief Executive Officer

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
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Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON HYDROLOGISTS REGISTRATION BOARD FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on 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 the 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 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

Qualified Opinion

I have audited the accompanying financial statements of Hydrologists Registration Board set out on pages 1 to 47, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Hydrologists Registration Board as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Hydrologists Act, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Employee Costs

The statement of financial performance and as disclosed in Note 4 to the financial statements reflects employee costs of Kshs.14,009,098. Included in this balance is basic salaries of permanent employees and personal allowances paid as part of salary of Kshs.12,920,736 and Nil balance respectively. However, re-computation of the same from the payroll and scrutiny of the payment vouchers, provided for audit review revealed total expenditure of Kshs.10,439,524 and Kshs.3,026,000 leading to unexplained variances of Kshs.2,481,212 and Kshs.3,026,000 respectively.

In the circumstances, the accuracy and completeness of employee cost of Kshs.14,009,098 could not be confirmed.

2. Unsupported Net Assets

Statement of financial position reflects net assets of Kshs.13,239,259 which differs with the statement of changes in net assets of Kshs.12,972,635 resulting to un-reconciled and un-supported variance of Kshs.266,624 leading to the unbalanced balance statement of financial position as at 30 June, 2025.

In the circumstances, the accuracy and completeness of the statement of financial position could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Hydrologists Registration Board 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 qualified opinion.

Emphasis of Matter

1. Budget Performance and Presentation

The statement of comparison of budget and actual amounts reflects budgeted final receipt of Kshs.47,663,567 and actual receipt on comparable basis of

Kshs.36,666,665 resulting in underfunding of Kshs.10,996,902 or 23%. Similarly, budgeted expenditure was reflected at Kshs.47,663,567 and actual expenditure of Kshs.33,644,452 resulting in under absorption of Kshs. 14,019,115 or 29%.

In the circumstances, the Board may not have implemented all the planned activities, impacting negatively on the service delivery to the public.

2. Wrong Classification of the Board

Review of operations of the Board indicated acute shortage of staff for which the Board appears to be incapable of resolving due to the cabinet decisions on the state corporations' reforms that categorizes the Hydrologists Registration Board as a professional body currently categorized as state corporation but which should be declassified and excluded from the budgetary allocations.

In the circumstances, the Board's budgetary category could not be confirmed.

My opinion is not modified in respect of these matters.

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. Except for the effect of the matters described in the Basis for Qualified Opinion/Material Uncertainty Related to Going Concern section, I have determined that there are no other key audit matters to communicate in my report.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters above, provide the basis for my audit opinion on the accompanying financial statements.

Other Matter

Unresolved Prior Years Audit Matters

In the audit of the previous year, several issues were raised under Report on the Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and report of effectiveness of Internal Controls, Risk Management and Governance which some issues have remained unresolved as at 30 June, 2025.

Unresolved issues are summarized below:

- i. Budgetary control and performance-over expenditure
- ii. Board expenditure above allowable expenditure of 5% operations total expenditure.
- iii. Failure to replace fully depreciated motor vehicle
- iv. Irregular Board allowances
- v. Lack of substantive accountant

Other Information

The Directors are responsible for the Other Information set out on page ii to iv which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities, Statement of Performance Against Predetermined Objectives). The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Hydrologists Registration Board financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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

Over Expenditures on the Directors' Cost

Statement of financial performance reflects directors' expenses of Kshs.7,243,037 as disclosed in Note. 6 to the financial statement. The Board's approved budget had total operations and maintenance budget of Kshs.40,000,000. Five percent (5%) of this budget yields Kshs.2,000,000 being the ceiling for the director's expenses as set by the circular no OP/CAB.9/1A of 11 March, 2020. Review of the financial statement and the budget however revealed that the Board spent a total of Kshs.7,243,037 on the director's expenses being Kshs.5,243,037 or 262% above the set ceiling by the circular.

In the circumstances, the Board was in breach of the circular.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Understaffing-Staff Establishment

Hydrologist Registration Board organizational structure, grading and staff establishment of September, 2021 Section 4 under Board summary establishment approved staff capacity of seventy-seven (77) staff. However, examination of human resource records revealed that the Board had an in-post staffing of seven (7) against an approved establishment of seventy-seven (77) officers, hence it was understaffed by seventy-four (74) officers.

In the circumstances, the Board may not carry its mandate due to severe understaffing.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 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.

Responsibilities of the Management and Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Entity's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

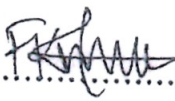
Nairobi

8 December, 2025


14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from Exchequer	3	40,000,000	25,000,000
Sub -Total		40,000,000	25,000,000
Revenue from exchange transactions		0	0
Total revenue		40,000,000	25,000,000
Expenses			
Employee costs	4	14,009,098	8,904,835
Use of goods and services	5	12,392,317	15,996,158
Directors Expenses	6	7,243,038	760,470
Depreciation and amortization expense	7	280,011	281,476
Repairs and Maintenance	8	0	391,572
Total expenses		33,924,464	26,334,511
Other gains/(losses)			
Gain/(loss) on sale of assets		0	0
Surplus/Deficit for the year		6,075,536	(1,534,511)
Taxation		0	0
Net Surplus/Deficit		6,075,536	(1,534,511)


The Financial Statements set out on pages 1 to 8 were signed by:



Name: Dr Faith K. Mitheu
Chairperson



Name: Antony Mwenje
Registrar/CEO



Name: Jennifer Owino
Head of Accounting Unit
ICPAK M/No...13143.

15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	2024/2025	Restated 2023/2024	Audited 2023/2024
		Kshs	Kshs	ksh
Assets				
Current Assets				
Cash and Cash equivalents	9	10,685,781	7,663,567	7,663,567
Receivables from Non-Exchange Transactions	10	3,333,334	0	0
Total Current Assets		14,019,115	7,663,567	7,663,567
Non-Current Assets				
Property, Plant and Equipment	11	660,729	*594,740	1,020,640
Intangible Assets		0	0	0
Total Non- Current Assets		660,729	594,740	1,020,640
Total Assets (a)		14,679,844	8,258,307	8,684,207
Liabilities				
Current Liabilities				
Trade and Other Payables	12	1,240,585	1,161,208	1,161,208
Current Provision	13	200,000	200,000	200,000
Total Current Liabilities		1,440,585	1,361,208	1,361,208
Non-Current Liabilities				
Non-Current Provisions		0	0	0
Total Non- Current Liabilities		0	0	0
Total Liabilities (b)		1,440,585	1,361,208	1,361,208
Net Assets (a-b)		13,239,259	6,897,099	7,322,999
Represented by:				
Reserves				0
Accumulated Surplus		12,972,635	6,897,099	6,897,099
Net Assets		12,972,635	6,897,099	6,897,099

* During the previous financial year, Property Plant & Equipment was erroneously reported in the statement of financial position at Kshs.1,020,640 being the cost, instead of Kshs.594,740 as per Note 12 of the audited statements. This has now been amended to reflect the correct position.

The financial statements set out on pages 1 to 8 were signed by:


.....

Name: Dr. Faith K. Mitheu
Chairperson


.....

Name: Antony Mwenje
Accounting Officer


.....

Name: Jennifer Owino
Head of Accounting Unit
ICPAK M/No. 13143

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Retained Earnings	Total
As at July 1, 2023	8,431,610	8,431,610
Surplus/ deficit for the year	(1,534,511)	(1,534,511)
As at June 30, 2024	6,897,099	6,897,099
As at July 1, 2024	6,897,099	6,897,099
Return to Exchequer	0	0
Surplus/ deficit for the year	6,075,536	6,075,536
As at June 30, 2025	12,972,635	12,972,635

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

		2024/2025	2023/2024
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from exchequers	3	36,666,665	25,000,000
Total receipts		36,666,665	25,000,000
Payments			
Employee costs	4	14,009,098	8,904,835
Use of goods and services	5	12,392,317	15,996,158
Directors Expenses	6	7,243,037	760,470
Repairs and Maintenance	8	0	391,572
Total payments		33,644,452	26,053,035
Changes in Working Capital			
Total decrease in Payables			539,393
Net cash flows from/(used in) operating activities		3,022,213	(1,592,428)
Cash flows from investing activities		0	0
Purchase of PPE		0	0
Net cash flows from/(used in) investing activities		0	0
Cash flows from financing activities		0	0
Net cash flows from financing Activities		0	0
Net increase/(decrease) in cash & Cash equivalents		3,022,213	(1,592,428)
Cash and cash equivalents at 1 July 2024	9	7,663,567	9,255,995
Cash and cash equivalents at 30 June 2025	9	10,685,780	7,663,567

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Recurrent and Development Combined

Receipt/Expense 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 %
Receipts						
Exchequer releases	40,000,000	7,663,567	47,663,567	36,666,665	10,996,902	76.93%
Total Receipts	40,000,000	7,663,567	47,663,567	36,666,665	10,996,902	76.93%
Payments						
Compensation of employees	19,074,000	8,257,919	27,331,919	14,009,098	13,322,821	51.36%
Use of goods and services	15,326,000	-2,528,716	12,797,284	12,392,317	404,967	96.84%
Commissioners' expenses	5,600,000	1,934,364	7,534,364	7,243,037	291,327	96.13%
Total Payments	40,000,000	7,663,567	47,663,567	33,644,452	14,019,115	70.59%
Surplus				3,022,213		

Budget Notes

(a) *Variance analysis*: The underutilisation of 29.41% was as a result of postponed recruitment that was to take place within the financial year.

(b) *Reallocations within the year*: The changes between the original and final budget was as a result of revised budget that was amended to include the closing balance of shilling 7,663,567 from the FY 2023/2024.

Hydrologists Registration Board
Annual Report and Financial Statements for the year ended June 30, 2025.

Budget Reconciliation to the Statement of Cash Flows

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	3,022,213
1	Reason for differences	0
2	Reason for differences	0
3	Reason for differences	0
4	Reason for differences	0
	Closing Cash and Cash Equivalent as per the statement of Cash flows	3,022,213

19. NOTES TO THE FINANCIAL STATEMENTS

1. Establishment

The Hydrologist Registration Board is established by and derives its authority and accountability from the Hydrologists Act 2017. The Hydrologist Registration Board is wholly owned by the Government of Kenya and is domiciled in Kenya.

2. Statement of Compliance and Basis of Reporting

Statement of compliance

These financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and in conformity with the accrual-based International Public Sector Accounting Standards (IPSAS).

For the purpose of these financial statements, the Hydrologist Registration Board has been categorized as a Schedule 1 national government Hydrologist Registration Board in line with Section 4 of the Public Finance Management Act, 2012 read together with Regulation 211 (2) of the Public Finance Management (National Government) Regulations, 2015. Schedule 1 national government entities include Ministries, Departments, Agencies, constitutional institutions and independent offices. Hydrologist Registration Board are reporting entities whose primary objective is to provide policy and coordination of government services.

The use of public resources by HRB is primarily governed by Chapter 12 of the Constitution, the relevant Appropriation Act, the Public Finance Management Act, of 2012, and the Public Procurement and Disposal Act, of 2015.

These financial statements were authorized for issue by the Accounting Officer on 30th August, 2025.

Reporting period

The reporting period for these financial statements is for the period ended 30th June, 2025.

Basis of preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya

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

Notes to the Financial Statements (Continued)

Critical accounting judgements

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

A revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of *Hydrologist Registration Board* for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgment is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The Hydrologist Registration Board pursues a number of policy targets and outcomes. However, the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the *Hydrologist Registration Board* is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the *Hydrologist Registration Board* policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the *Hydrologist Registration Board* future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Notes to the Financial Statements (Continued)

Kenya’s current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. *Hydrologist Registration Board* commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the *Hydrologist Registration Board* as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

3. Adoption of New and Revised Standards

i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There were no new and amended standards issued in the financial year.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of the <i>Hydrologist Registration Board</i></p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the MDA if relevant</i></p>
IPSAS 44: Non-Current Assets Held for Sale and	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

Standard	Effective date and impact:
Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the MDA if relevant</i></p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the MDA if relevant</i></p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none">i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the MDA if relevant</i></p>

Standard	Effective date and impact:
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an <i>Hydrologist Registration Board</i> shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the MDA if relevant</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the MDA if relevant</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the MDA if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources

Standard

Effective date and impact:

and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

State the expected impact of the standard to the Entity if relevant

iii) Early adoption of standards

The Hydrologists Registration Board did not early – adopt any new or amended standards in the financial year or *the Hydrologists Registration Board adopted the following standards early (state the standards, reason for early adoption and impact on Hydrologists Registration Board financial statements.)*

4. Summary of Significant Accounting Policies

1. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes, and fines

The Board recognizes revenues from fees, taxes, and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Board and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services, and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Board and can be measured reliably. Development grants are recognized in the statement of financial performance after meeting the revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

ii) Revenue from exchange transactions

Rendering of services

The Board recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2024/2025 was approved by the National Assembly on 30th April, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Board upon receiving the respective approvals to conclude the final budget. Accordingly, the Board recorded additional appropriations of nil on the 2024/2025 budget following the governing body's approval. The Board's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cashflows has been presented under section 9 of these financial statements.

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a quarter year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Property, plant, and equipment

All property, plant, and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

The Board depreciates its assets classes over their respective useful life using the following rates (on a prorated basis) as per its depreciation policy:

Motor Vehicles	- 20.00% (straight line)
Furniture and Fittings	- 12.50% (straight line)
Computers and Printers	- 33.30% (straight line)
Office Equipment	- 12.50% (straight line)

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Board incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Board expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

f) Tangible Natural Resources

The Board recognises a tangible natural resource if, and only if: It is probable that service potential associated with the natural resource will flow to the Board; the Board controls the tangible natural resource as a result of past events; and The tangible natural resource can be measured reliably. Where these criteria are not met, the Board discloses the tangible natural resource in the notes to the financial statements. Where a tangible

natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. The Board shall apply IPSAS 46, Measurement when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. The historical cost model is applied after initial recognition less any depreciation and impairment losses.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

h) Research and development costs

The Board expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Board can demonstrate:

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to reliably measure expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Board does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one Hydrologist Registration Board and a financial liability or equity instrument of another MDA. At initial recognition, the MDA measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

i) Financial assets

Classification of financial assets

The Board classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity, or fair value through surplus and deficit based on both the Board's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is

to hold financial assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless the Board has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the Board classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Hydrologists Registration Board manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The Board assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Board recognizes a loss allowance for such losses at each reporting date.

Notes to the Financial Statements (Continued)

a) Financial liabilities

Classification

The *Hydrologist Registration Board* classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Hydrologists Registration Board.

k) Provisions

Provisions are recognized when the Hydrologists Registration Board has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Hydrologists Registration Board expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Notes to the Financial Statements (Continued)

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Hydrologists Registration Board recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Hydrologists Registration Board will incur in fulfilling the present obligations represented by the liability.

m)Contingent liabilities

The Hydrologists Registration Board 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 resources embodying economic benefits or service potential is remote.

n) Contingent assets

The Hydrologists Registration Board 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 the Hydrologists Registration Board 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.

o) Changes in accounting policies and estimates

The *Hydrologists Registration Board* recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

p) Employee benefits

Retirement benefit plans

The Hydrologists Registration Board provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which Hydrologists Registration Board pays fixed contributions into a separate Hydrologists Registration Board (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties

The Hydrologists Registration Board regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Hydrologist Registration Board, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

t) Service concession arrangements

The Hydrologists Registration Board analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Hydrologists Registrations Board recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Hydrologists Registration Board also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) 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.

v) Comparative figures

In preparing these financial statements, the *Hydrologists Registration Board* has elected to apply paragraph 79 of IPSAS 33, which allows for the election by *Hydrologists Registration Board* to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

2. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Hydrologists Registration Board* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

Estimates and assumptions

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

Useful lives and residual value

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the Hydrologists Registration Board.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40.

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

Notes to the Financial Statements (Continued)

3. Transfers from Exchequer

Nature of transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers Current 2024/2025	Total transfers Comparative 2023/2024
	Kshs	Kshs	Kshs	Kshs
Recurrent	40,000,000	0	40,000,000	25,000,000
Development	0	0	0	0
Total	40,000,000	0	40,000,000	25,000,000

3a. Transfers from Exchequer – Adjusted for Cash flow

Nature of transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers Current 2024/2025	Total transfers Comparative 2023/2024
	Kshs	Kshs	Kshs	Kshs
Recurrent	36,666,665	0	36,666,665	25,000,000
Development	0	0	0	0
Total	36,666,665	0	36,666,665	25,000,000

4. Employee Costs

Description	2024/2025	2023/2024
	Kshs	KShs
Basic salaries of permanent employees	12,920,736	8,051,249
Personal allowances – part of salary	0	0
Pension and other social security contributions	811,687	571,595
Other social benefit schemes	276,674	281,992
Other personnel costs	0	0
Employee costs	14,009,097	8,904,836

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5. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Conference fee	1,223,000	2,151,201
Corporate social responsibility	500,000	1,653,102
Domestic travel and subsistence	6,381,519	6,225,909
Local travel/substance	0	232,752
Postage fee	0	18,900
Printing, advertising, and information supplies & services	0	626,053
Hydrologists amendment bill	0	353,000
Training expenses	2,062,774	0
Hospitality supplies and services	750,000	725,000
Insurance costs	461,800	0
Audit fee	400,000	400,000
Bank Charges	139,927	39,010
Office and general supplies and services	128,048	409,425
Fuel Oil and Lubricants	316,942	423,500
Routine maintenance – vehicles and other transport equipment	28,234	0
Staff mileage claim	0	2,226,865
Other operating expenses	0	511,440
TOTAL	12,392,244	15,996,157

6. Director's Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Chairman's Honoraria	353,475	289,356
Sitting Allowances/PAYE	3,717,575	142,100
Travel, Accommodation, Induction and Training	2,622,000	0
Board statutory deductions	0	309,014
Other Allowances (board mileage, board transport)	549,987	20,000
Total	7,243,037	760,470

7. Depreciation and Amortization Expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	280,011	281,476
Intangible assets	0	0
Investment property carried at cost	0	0
Total	280,011	281,476

8. Repairs and Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Office Repair and Maintenance	0	391,572
Total	0	391,572

9. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Recurrent Account	10,685,781	7,663,567
Total	10,685,781	7,663,567

9a. Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
Recurrent Account - KCB Capital Hill	1280254025	10,685,781	7,663,567
Total		10,685,781	7,663,567

10. Receivable from Non-Exchange Transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers from Exchequer	3,333,335	0
Total	3,333,335	0

Notes to the Financial Statements (Continued)

11. Property, Plant, and Equipment

	Furniture and fittings	Computers & ICT Equipment	Total
Depreciation Rate	12.50%	33.30%	
Cost	Kshs	Kshs	Kshs
As at 1st July 2023	287,800	732,840	1,020,640
Additions			
Disposals			
Transfer/Adjustments			
Revaluation gain/loss			
As At 30 Jun 2024	287,800	732,840	1,020,640
Additions		346,000	346,000
Disposals			
Transfer/Adjustments			
As At 30 Jun 2025	287,800	1,078,840	1,366,640
Depreciation & Impairment			
As at 1st July 2023	11,992	132,432	144,424
Depreciation	35,975	245,501	281,476
Disposals	0	0	
Impairment	0	0	
Transfer/Adjustment	0	0	
As At 30th June 2024	47,967	377,933	425,900
Depreciation	35,975	244,036	280,011
Disposals	0	0	
Impairment	0	0	
Transfer/Adjustment	0	0	
As At 30th June 2025	83,942	621,969	705,911
Net Book Values			
Net Book Value 30th June 2024	239,833	354,907	594,740
Net Book Values 30th June 2025	203,858	456,871	660,729

Hydrologists Registration Board

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Notes to the Financial Statements (Continued)

12. Trade and Other Payables

Description	2024/2025	2023/2024
	Kshs	Kshs
Trade payables	1,240,585.5	761,207
Accrued audit fee	0	600,000
Total trade and other payables	1,240,585.5	1,361,207

Aging Analysis for Trade and other Payables

Description	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Under one year	899,377	72%	0	72%
1-2 years	0	%	0	%
2-3 years	341,208	18%	0	18%
Over 3 years	0	0	0	0
Total	1,240,585	100%	0	100%

13. Provisions

Description	Other provision	Total	Comparative 2024/2025
	Kshs	Kshs	Kshs
Opening bal 1st July 2024	200,000	200,000	200,000
Additional provisions	0	0	0
Provision utilised	0	0	0
Change due to discount and time value for money	0	0	0
Total provisions year end	200,000	200,000	200,000

Notes to the Financial Statements (Continued)

14. Financial Risk Management

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

The Hydrologists Registration Board financial risk management objectives and policies are detailed below:

i) Credit risk

The Hydrologists Registration Board has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Hydrologist Registration Board management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Hydrologist Registration Board maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June (2025)				
Bank balances	10,685,780	0	0	0
Total	10,685,780	0	0	0

20. APPENDIX

Appendix 1: Implementation Status of Auditor-General’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>Basis for Qualified Opinion Understated Cash and Cash Equivalent</p>	<p>i.The reported current year cash balance of Kshs. 7,663,567 differed from the 30 June,2024 bank reconciliation and cash book amounts of Kshs. 8,000,997 resulting to a variance of 337,430. As such it was not possible to ascertain the accuracy of the cash and cash equivalents.</p> <p>ii.It was further noted that the Board had numerous cancelled cheques totalling</p>	<p>The variance was due to the further reconciliation of cashbook for the period ended 2023/2024 where by the cashbook balance was reconciled to include the late disbursement for FY 2023/2024. The financial statements for FY 2023/2024 were also restated as per the reconciled cashbook balance. The updated statement is available for review. The Management has taken further internal control measures and implemented enhanced financial</p>	<p>Resolved</p>	

Hydrologists Registration Board

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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)
	<p>to Kshs. 967,915 for the year under review. The Board did not close the cash book at year end as required and there was no Board of survey report.</p> <p>ii. The cash book was not regularly updated throughout the year as well as the carrying out of monthly bank reconciliations.</p>	<p>reporting procedures and reconciliation protocols.</p> <p>The reconciled cashbook balance tallies with the balance in the Financial Statements for 2023/2024 and is available for review</p> <p>Currently all cancelled cheques are clearly labelled 'CANCELLED' and the Board maintains a clear record of all cancelled cheques.</p> <p>The Management took a corrective action by reclassifying the transactions, reviewing and correcting the entries to align with</p>	<p>Resolved</p> <p>Resolved</p>	

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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)
		<p>proper accounting principles as per the PFM Act.</p> <p>Further the Management has updated the cashbook and all records, and ensures regular reconciliation with enhanced controls.</p>		
Unresolved Prior Year Issues	<p>Several paragraphs were raised under the report of financial statement & report on lawfulness and effectiveness in use of public resources which include:</p> <p>Basis of lawfulness Qualified Opinion</p>	<p>a. Unsupported expenditure</p> <p>All unsupported expenditure resulting from un-surrendered imprests was consequently supported.</p> <p>The Management now ensures that all imprests are surrendered within the timelines required. At the time, the Board did not have a vehicle of their own. Management relied on</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>a) Unsupported expenditure</p> <p>Emphasis of matter</p> <p>b) Budgetary control & performance</p> <p>Report on Lawfulness and effectiveness in the use of public resource</p> <p>c) Board expenditure was above the allowable expenditure of 5% of O&M</p> <p>d) Failure to tax Airtime and data bundle allowance</p>	<p>drivers and vehicles from the State Department for Water and Sanitation for official duties. The original work tickets are stored within the offices of the Head of Transport in the State Department. Management were availed and the expenditures are supported.</p> <p>b. Budgetary control & performance</p> <p>The Management has strengthened the budget monitoring process to align expenditures with the approved allocations, and has put in measures to address gaps and inefficiencies in the internal control measures.</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>e) Irregular appointment of the board</p> <p>f) Invitation of board without requisite days of notice of meetings</p> <p>Report on effectiveness of internal controls, risk management and governance</p> <p>a) Lack of Internal Audit report</p>	<p>c. Board expenditure was above the allowable expenditure of 5% of O&M</p> <p>Board Management wrote to the National Treasury requesting for guidance and exemption from capping Board expenses at 5% of the operations % Maintenance Budget.</p> <p>d. Failure to tax Airtime and data bundle allowance.</p> <p>This was due to lack of clarity on the tax guidelines issued by Kenya Revenue Authority. The Management has rectified the matter and taxes all Airtime allowances.</p>	<p>Resolved</p>	

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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)
		<p>e. Irregular appointment of the board</p> <p>A new Board of Directors has been gazetted/appointed as per the requirements of the Hydrologists Act, 2017.</p> <p>f. Invitation of board without requisite days of notice of meetings.</p> <p>The Management has ensured that notices of Board meetings are sent in good time as required.</p> <p>g. Lack of Internal Audit Report</p>	<p>Resolved</p> <p>Resolved</p> <p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	4. Failure to Submit Board Calendar to State Corporations Advisory Committee (SCAC)	<p>The Board requested for a vehicle from the Ministry, it was issued with Motor Vehicle KAU 476L on 14th July, 2023 for official work. The vehicle had mechanical problems at the time and the Board approved for repairs to be done at a cost of Ksh. 361,572. The vehicle has been in operation since then with no additional mechanical or repair costs incurred.</p> <p>However, there were inadequate funds for the purchase of a new motor vehicle for the Board in the FY.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		<p>3. Irregular Board Allowances</p> <p>This happened due to misinterpretation of Cabinet Secretary's letter on board disbandment. Whereas the Cabinet Secretary in August called for a meeting with the Board Chairperson, CEO and the National Chairman of the Hydrological Society of Kenya, to discuss the appointment of Independent Board Members. Being an official engagement, the Chairperson was paid sitting allowance and honoraria.</p> <p>The former Chairperson has been requested to refund the money.</p>	Not Resolved	

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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)
		<p>4. Failure to Submit Board Calendar to State Corporations Advisory Committee (SCAC)</p> <p>The Board was disbanded on 10th July, 2023 before they could sit and approve the Board calendar for subsequent submission to SCAC. The Board meeting had been scheduled for 13th July, 2023. The Board was not constituted for the rest of the Financial Year 2023/2024.</p> <p>The newly constituted Board met on 21st November, 2024 and approved the Board Calendar amongst other matters. The Board Calendar for FY</p>	Resolved	

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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)
		2024/2025 was submitted to SCAC on 14 th January, 2025.		
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE	<ol style="list-style-type: none"> 1. Lack of Segregation of Duties 2. Lack of Substantive Accountant 3. Lack of Substantive Board Chairman 4. Lack of a Board 	<p>1. Lack of Segregation of Duties The State Department has assigned an Accountant, an Information Communication Technology (ICT) officer and a Planning Officer to assist the Management.</p> <p>The Board had earlier in FY 2024/2025 received funds and approval for recruitment of nine additional staff in FY 2024/2025.</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		<p>However, the National Treasury later issued a directive to halt the intended recruitment due to the ongoing State Corporations Reforms.</p> <p>2. Lack of Substantive Accountant The Principal Secretary had already granted approvals for the replacement of the Accountant who had resigned in October, 2024 but the National Treasury vide their letter Ref: DGIPE/A/1/85” A” (64) dated 5th February, 2025 directed the suspension of any new recruitment.</p> <p>The Board Management requested for deployment of an Accountant</p>	Not Resolved	

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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)
		<p>from the State Department for Water and Sanitation, which was approved. Ms. Rosemary Awino, Assistant Accountant General was assigned to the Board on additional duties (not deployment). She took up her duties fully from 1st April, 2025.</p> <p>3. Lack of Substantive Board Chairman The Board is now fully constituted, the Board Chairperson was gazetted on 13th December, 2024.</p> <p>4. Lack of a Board</p>	<p>Resolved</p> <p>Resolved</p>	

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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)
		The Board is now fully constituted, as all Board Members have been appointed/gazetted.		



Antony Mwenje
 Accounting Officer

Date: 26/11/2025



DR. FAITH MITHEU
 CHAIRPERSON,

Hydrologists Registration Board

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Appendix II: Transfers from Other Government Entities

Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Deferred Income	Receivables	Others - must be specific	
30/08/2024	Recurrent	3,333,333						3,333,333
23/09/2024	Recurrent	3,333,333						3,333,333
29/10/2024	Recurrent	3,333,333						3,333,333
18/11/2024	Recurrent	3,333,333						3,333,333
19/12/2024	Recurrent	3,333,333						3,333,333
9/1/2025	Recurrent	3,333,333						3,333,333
10/2/2025	Recurrent	3,333,333						3,333,333
12/3/2025	Recurrent	3,333,333						3,333,333
3/4/2025	Recurrent	3,333,333						3,333,333
14/05/2025	Recurrent	3,333,334						3,333,334
11/06/2025	Recurrent	3,333,334						3,333,334
TOTAL								36,666,665