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REPORT

OF

THE AUDITOR-GENERAL

ON

MINISTRY OF WATER, SANITATION  
AND IRRIGATION

FOR THE YEAR ENDED  
30 JUNE, 2022





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**MINISTRY OF WATER, SANITATION AND IRRIGATION**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2022**

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**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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## **1. KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

The Ministry of Water, Sanitation and Irrigation was formed after the merger of the former Ministry of Water and Sanitation and State Department for Irrigation through Executive Order No. 6 of 22<sup>nd</sup> August 2019. The mandate of the Ministry was further revised through the Executive Order No. 1 of 2020 issued on 14<sup>th</sup> January, 2020 (Revised).

The Ministry's mandate is guided by key laws and policies as provided by the Constitution of Kenya 2010, Water Act 2016, Irrigation Act 2019, Kenya Water Institute (KEWI) Act 2001, legal notice number 252 of 2015, Agenda 2063, SDGs No. 2, 6, and 15, Kenya Vision 2030, MTP III (2018-2022), and the 'Big four' agenda. These laws and policies emphasize the need for efficiency and better management in the utilization of natural resources to enable the government achieve its strategic goals of economic growth, poverty reduction and social stability.

The Ministry is committed to the implementation of policies, legal and regulatory frameworks for promoting sustainability in water resources and transboundary waters management, improvement of water and sanitation services, irrigation and land reclamation while at the same time mitigating and adapting to the effects of land use and climate change. This strategic plan is aligned to MTP III (2018-2022), SDGs No. 2, 6 and 15, Kenya Vision 2030, the 'Big four' agenda, Agenda 2063 and the budget system through the Medium-Term Expenditure (MTEF). This shall form the basis for identifying development priorities and establishing deliverables under the Ministry's performance contract system.

The Vision of the Ministry is universal access to adequate, safe and sustainably managed water resources, sanitation and Irrigation and its Mission is to ensure good governance in the conservation, protection, water harvesting and storage, management and development of water resources, sanitation infrastructure, irrigation and land reclamation for national socio-economic development". The Ministry is also guided by the national values as espoused by the Constitution of Kenya. These values are: Sustainable Development, Honesty and Integrity, Human Dignity, Teamwork and focus on results, Innovativeness and Participatory approach.

The mandate of the Ministry involves water resource management and development, sanitation, irrigation and land reclamation for socioeconomic development. It is outlined in the Executive Order No. 1 of 2020 issued on 14<sup>th</sup> January, 2020 (Revised). The functions of the Ministry are: Water resources management policy; Water catchment area conservation, control and protection; Water and sewerage services management policy; Waste water treatment and disposal policy; Water quality and pollution control; Management and Development of Trans boundary waters; Sanitation management; Management of public water schemes and community water projects; Domestic water storage and development; Development of dams for domestic and industrial water uses; Water storage, Flood control and dykes; National Irrigation Policy and Management; Management of Irrigation Schemes; Mapping, Designating and Developing Areas Ideal for Irrigation Schemes; Irrigation Water Harvesting and Storage and Land Reclamation.

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**(b) Key Management**

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

- i. Directorate of water
  - Department of Water Services
  - Department of Water Resource
  - Department of Trans boundary Waters
- ii. Directorate of shared services
  - Human Resource Management and Development Department
  - Central planning and Projects Monitoring Department
  - Finance Department
  - Accounts Department
  - Supply Chain Management Department
  - Administration General Department
  - Records Management Department
  - ICT Department
  - Public Communication Department
  - Internal Audit Department
  - Legal Department

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

| <u>No.</u> | <u>Designation</u>                                             | <u>Name</u>                  |
|------------|----------------------------------------------------------------|------------------------------|
| 1.         | Cabinet Secretary -                                            | James Macharia. EGH          |
| 2.         | Chief Administrative Secretary -                               | Dr. Andrew K. Tuimur, CBS    |
| 3.         | Principal Secretary-                                           | Dr. (Eng) Joseph Njoroge,CBS |
| 4.         | Water Secretary -                                              | Eng. S.O.Alima               |
| 5.         | Irrigation Secretary, -                                        | Aboud Moeva                  |
| 6.         | Secretary Administration                                       | Evans M. Mutari,MBS          |
| 7.         | Director, Human Resource Management and Development-           | Caroline Mugwe               |
| 8.         | Director, Central Planning and Project Monitoring Department - | Paul Asele                   |
| 9.         | Ag. Director, Department Water Resources -                     | Daniel Mogusu                |
| 10.        | Director, Department of Trans-Boundary Water -                 | Gladys Wekesa                |
| 11.        | Director, Department of Infrastructure Development -           | Eng.John Muiruri             |
| 12.        | Chief Finance Officer -                                        | Daniel Kihara                |
| 13.        | Deputy Accountant General -                                    | CPA. Agnes W. Waweru         |
| 14.        | Deputy Director Supply Chain Management -                      | Justus M. Areri              |
| 15.        | Chief Internal Auditor-                                        | Abdi Sahal Ali               |
| 16.        | Principal Information Communication Officer-                   | Charles Nyakeri              |
| 17.        | Deputy Director, Youth Affairs-                                | Dr.Sophia Opiyo              |
| 18.        | Director Legal Department-                                     | James Nduna                  |



**(d) Fiduciary Oversight Arrangements**

**i) Audit Committee Activities**

- Reviewing and monitoring the external auditor's independence and objectivity, taking into consideration relevant professional and regulatory requirements. In fulfilling its duties, the committee reviews with the external auditors, the scope of their audit plan, system of internal audit reports, assistance given by management and its staff to the auditors and any findings and actions to be taken.
- Reviewing any related party transactions that may arise within the State Department.
- Reviewing communication between external auditors and management including responses on audit queries on the annual financial statement raised by the Auditor General.
- Following up on recommendations of the Parliamentary Accounts Committee (PAC)

**ii) Public Finance Management Committee**

This is the committee charged with the responsibility of implementation of the Ministry's budget and its prudent management. The duties of the committee include:

- To review budgets, supplementary estimates and performance of budget against actual for the State Department in consultation with the Heads of Department.
- To participate in sector working groups
- To review and consider the cash flow plans
- To review the utilization of the cash limits and consider any changes as may be required;
- To review the utilization of the donor funds voted for the State Department.
- To advice the accounting officer on the challenges related to the budget implementation
- To review and recommend the reallocation of payments
- To review and approve the submission of the payment returns, payroll IPPDs, pending bills and A-I-A returns for the State Department and recommend actions to be taken.

**iii) Senior Management Committee**

Senior Management Committee is comprised of the Cabinet Secretary, Principal Secretary, Water Secretary, Irrigation Secretary, Chief Executive Officers of all Water Agencies and Heads of departments in the Ministry who are mainly the AIEs holders.

The Committee reports on the progress of the projects in the Ministry and the level of expenditure and disbursement on quarterly basis.

The Committee also highlights the major challenges and the way forward in achieving the targets of the Ministry as regards performance.

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**iv) Other oversight activities**

The Ministry undertakes Monitoring and Evaluation activities on regular basis. The Ministry has performance contracts signed between All Agencies and departments of the Ministry and the Cabinet Secretary, which are reviewed on quarterly basis.

Internal Auditors undertake systems audit regularly and advice on areas of improvement. All recommendations and observations by the Office of the Auditor General and the Parliamentary Accounts Committee are followed up and acted upon in time.

**(e) Ministry of Water, Sanitation and Irrigation Headquarters**

P.O. Box 49720-00100  
Maji House  
Ngong Road  
Nairobi, KENYA

**(f) Entity Contacts**

Telephone: (254) 020 - 2716103  
E-mail: [ps@water.go.ke](mailto:ps@water.go.ke)  
Website: [www.water.go.ke](http://www.water.go.ke)

**(g) Entity Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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



## **1. STATEMENT BY THE CABINET SECRETARY**

The Constitution of Kenya articles 43d, 43b and 43c entitles every person to the right to water, reasonable standards of sanitation as well as food security. The Constitution under Sec 6 (3) further provides that the two levels of government shall work in consultation and cooperation.

The mandate of the Ministry is development and management of Water Resources, Sanitation, Irrigation, Drainage and Land Reclamation. In discharging its mandate, the Ministry is guided by key policy documents which include the Constitution of Kenya, the Jubilee Manifesto, the Third Medium Term Plan 2018-2022 (MTP III) of the Kenya Vision 2030, Big Four Agenda, Ministry Strategic Plan 2018-2022 and, Legal and regulatory framework: the Water Act 2016, the Irrigation Act 2019 and National Water Policy of 2021. To harmonize water, sanitation and irrigation activities, the Ministry finalized the National Water Policy of 2021. The Water and Irrigation (General) Regulations 2021 have also been developed and have been published. The Ministry also finalized publication of the Irrigation Guidelines and the draft Procedure and Instrument for Handing over Water, Sanitation, and Irrigation and Land Reclamation projects was finalized. In addition, water, sanitation and irrigation strategies were also finalized and frameworks for establishment of County Irrigation Development Units and regulations (CIDUs) and one for establishment of an Irrigation Research Institution developed.

The Ministry has a target of increasing access to safe and clean water to 80% by the end of June 2023 from 60% in 2017; and 40% access to reasonable standards of sanitation services from 25% in 2017. In addition, under MTP III, the Ministry also targets to increase area under irrigation by 190,000 acres from 510,000 acres in 2019 to 700,000 acres by end of the same period. To realize these targets, the ministry has prioritized a number of policies, legal and institutional reforms as well as programmes and projects which are at different stages of implementation.

Presently access to water is at 70% while urban sewerage is at 32% and area under irrigation stands at 664,000 acres. These falls short of the envisioned targets in view of the time remaining to 2030. However, the Ministry is currently implementing 685 projects aimed at achieving the desired targets. In order to bridge the huge financing gap in the sector, the sector is preparing to mobilize investment from the Private in the form of Public Private Partnership (PPP). Several projects have been lined for implementation under PPP.

Irrigation is a major contributor to the achievement of food security for Kenya as well as improving peoples' livelihoods and economic welfare. The irrigation potential is estimated at 1.913 million acres (765,575 ha) as per the National Water Master Plan 2030 without water storage and can go up to 3 million acres (1.2 million ha). Out of this total potential 664,000 acres have been developed accounting for 35% coverage while out of the country's total arable land only 5.9% is equipped with irrigation infrastructure. This calls for concerted efforts towards increasing irrigation water use in a bid to increase yield to support food and nutrition security efforts and support growth in manufacturing vide agro-processing of surplus produce and value addition.



## **MINISTRY OF WATER, SANITATION AND IRRIGATION**

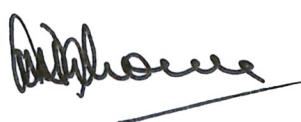
### **Annual Report and Financial Statements for the year ended 30th June 2022**

This Annual Financial Report and Statements is a crucial document which tracks the state of the Ministry's development and key achievements towards realization of universal access to water and sanitation services, increase food security and its sustainable management through implementation of the developed policies and strategies in the utilization of allocated resources. Equally, it provides opportunity to understand the challenges and emerging issues in the water, sanitation and irrigation sector. The report keeps the Ministry and stakeholders informed on progress and the bottlenecks to the Ministry's development. The Ministry therefore, have to ensure that the challenges impeding sector development are adequately addressed towards realization of right to clean and safe water, reasonable standards of sanitation and adequate food for acceptable quality for progressive national development agenda. The Ministry will continue to successfully implement policy, legal and institutional reforms to address these challenges and accelerate unhindered achievement of its desired mandates.

In recognition of the need to make tangible impact in the sector during the financial year and in line with the Government priorities, the Ministry implemented the Rapid Results Initiative (RRI). The 4th wave of RRI was undertaken between August and November 2021 while the 5th Wave was conducted between February and May 2022. The RRIs resulted in fast tracking the completion of key water and irrigation projects resulting in more households being served by water and acreage of land under irrigation being increased. This and other efforts have led to the Ministry's performance as evidenced by the 2020/21 ranking where it was ranked at position 5 out of 24 Ministries/Offices/Departments, with a score of 3.2454 (Good category) by the Ministry of Public Service and Gender.

During the year under review, the Ministry undertook post COVID-19 response works which was necessitated by the challenges faced by the Country due to the pandemic. The Ministry in collaboration with other Government and International Agencies continued the implementation of water projects to help contain spread of COVID-19 by drilling and equipping of 50 boreholes in Nakuru County at a cost of 500 million and 193 boreholes in Nairobi at a cost of Kshs.1.62 billion.

In conclusion, we remain focused to realize the ultimate goal by utilizing allocated resources in the implementation of projects, programmes and policies that will ensure increased provision of water and sanitation services, food and nutrition security and the realization of the National Development Goals under Vision 2030, Sustainable Development Goal No.6 on Water and Sanitation and Goal No. 2 on Zero Hunger; and the African Agenda 2063.



**HON. ALICE M. WAHOME**  
**CABINET SECRETARY**  
**MINISTRY OF WATER, SANITATION AND IRRIGATION**



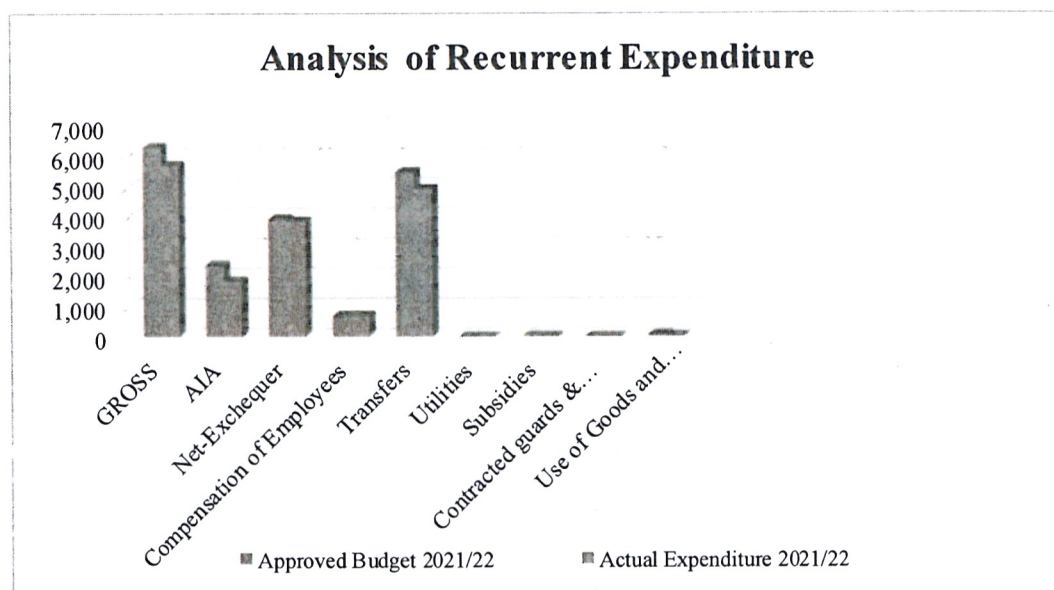
### 3. STATEMENT BY THE PRINCIPAL SECRETARY

During the review period, the Budget allocation for the Ministry was Kshs. 77,532 Million in financial year 2021/22 while actual expenditure was Kshs. 66,988 Million translating to 86% absorption level. The Recurrent approved budget was Kshs. 6,292 Million against an expenditure of Kshs. 5,684 Million translating to an absorption level of 90.4%. Further, the Development approved budget was Kshs. 71,577 against an expenditure of Kshs. 57,437 Million translating to an absorption level of 80.2%. The Ministry recurrent and development expenditure, per programme and sub-programme is presented below from tables 1 to 3.

**Table 1: Analysis by Category of Expenditure: Recurrent (Kshs. Millions)**

| Vote and Vote Details                       | Economic Classification               | Approved Budget | Actual Expenditure |
|---------------------------------------------|---------------------------------------|-----------------|--------------------|
|                                             |                                       | 2021/22         | 2021/22            |
| Vote 1109: Water, Irrigation and Sanitation | <b>GROSS</b>                          | <b>6,292</b>    | <b>5,684</b>       |
|                                             | AIA                                   | 2,386           | 1,834              |
|                                             | <b>Net-Exchequer</b>                  | <b>3,906</b>    | <b>3,850</b>       |
|                                             | Compensation of Employees             | 701             | 699                |
|                                             | Transfers                             | 5,463           | 4,904              |
|                                             | Other Recurrent                       | 127             | 81                 |
|                                             | of which                              |                 |                    |
|                                             | Utilities                             | 8               | 8                  |
|                                             | Rent                                  | -               |                    |
|                                             | Insurance                             | -               |                    |
|                                             | Subsidies                             | 25              | 24                 |
|                                             | Gratuity                              | -               |                    |
|                                             | Contracted guards & cleaners Services | 13              | 13                 |
|                                             | Use of Goods and Services             | 81              | 36                 |

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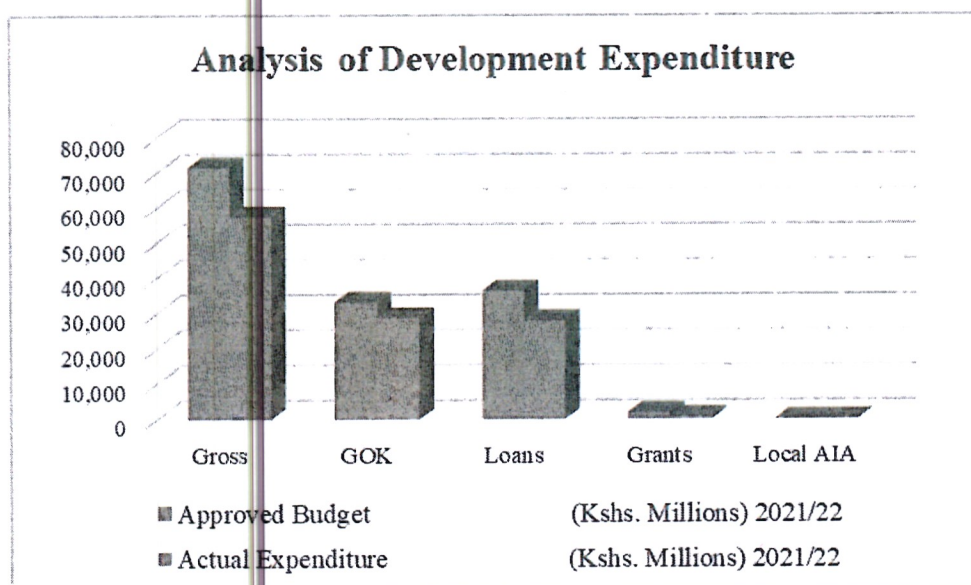


**Table 2: Analysis by Category of Expenditure: Development (Kshs. Millions)**

| Vote and<br>Vote<br>Details                 | Economic<br>Classificatio<br>n | Approved Budget<br>(Kshs. Millions) | Actual Expenditure<br>(Kshs. Millions) |
|---------------------------------------------|--------------------------------|-------------------------------------|----------------------------------------|
|                                             |                                | 2021/22                             | 2021/22                                |
| Vote<br>1109:<br>Water<br>and<br>Sanitation | <b>Gross</b>                   | <b>71,577</b>                       | <b>57,437</b>                          |
|                                             | GOK                            | 33,268                              | 28,654                                 |
|                                             | Loans                          | 36,417                              | 28,070                                 |
|                                             | Grants                         | 1,892                               | 713                                    |
|                                             | Local AIA                      | 0                                   | 0                                      |



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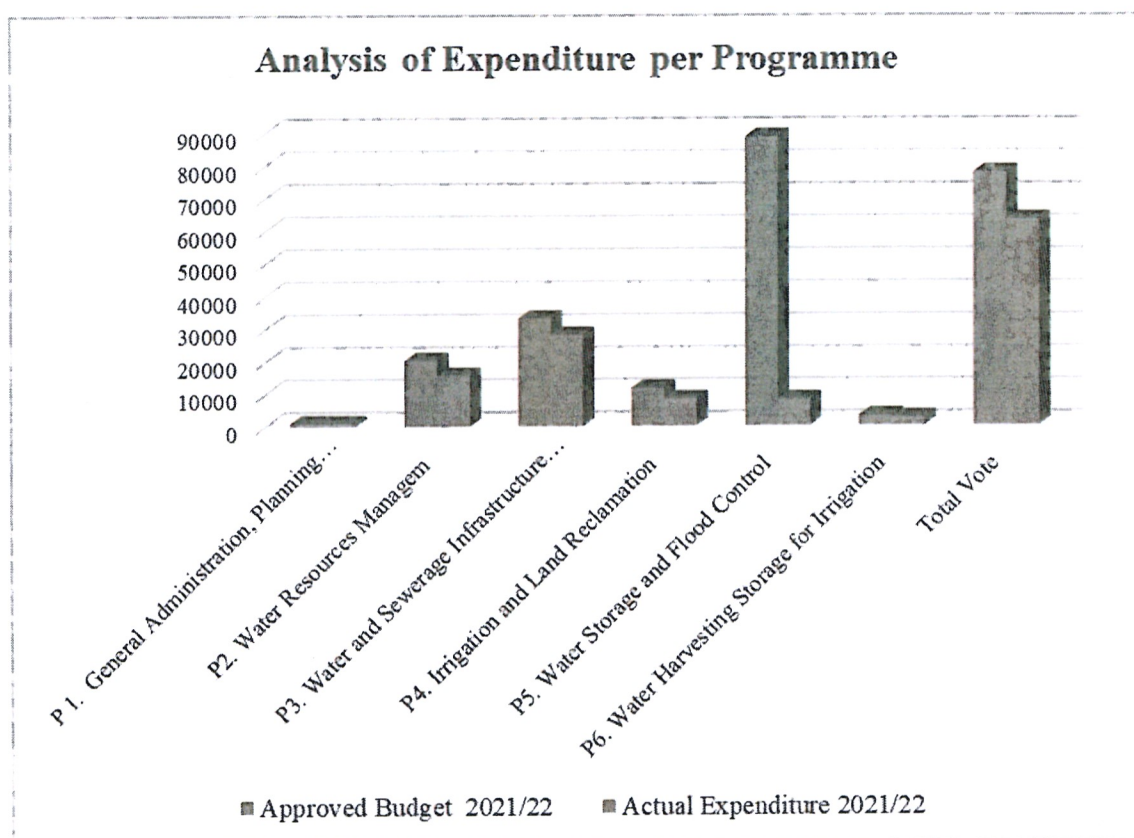


**Table 3: Analysis by Category of Expenditure: Programmes (Kshs. Millions)**

| Programme                                                         | Approved Budget | Actual Expenditure |
|-------------------------------------------------------------------|-----------------|--------------------|
|                                                                   | 2021/22         | 2021/22            |
| <b>P 1. General Administration, Planning and Support Services</b> |                 |                    |
| SP 1.1 Water Policy                                               | 870             | 818                |
| <b>Total Programme 1</b>                                          | <b>870</b>      | <b>818</b>         |
| <b>P2. Water Resources Management</b>                             |                 |                    |
| SP 2.1 Water Resources Conservation and Protection                | 20,067          | 15,458             |
| SP 2.2 Transboundary waters                                       | 120             | 108                |
| <b>Total Programme 2</b>                                          | <b>20,187</b>   | <b>15,566</b>      |
| <b>P3. Water and Sewerage Infrastructure Development</b>          |                 |                    |
| SP 3.1 Sewerage Infrastructure Development                        | 25,234          | 20,202             |
| SP 3.2 Sanitation Infrastructure Development & Management         | 7,850           | 7,850              |
| <b>Total Programme 3</b>                                          | <b>33,084</b>   | <b>28,052</b>      |
| <b>P4. Irrigation and Land Reclamation</b>                        |                 |                    |
| SP 4.1 Land Reclamation                                           | 43              | 37                 |
| SP 4.2 Irrigation and Drainage                                    | 11,424          | 8,153              |
| SP 4.3 Irrigation Water Management                                | 66              | 66                 |
| SP 4.4 Irrigation Administration Services                         | 17              | 17                 |

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|                                                    |               |               |
|----------------------------------------------------|---------------|---------------|
| <b>Total Programme 4</b>                           | <b>11,550</b> | <b>8,273</b>  |
| <b>P5. Water Storage and Flood Control</b>         |               |               |
| SP 5.1 Water Storage and Flood Control             | 7,882         | 7,111         |
| SP 5.2 Water Harvesting                            | 970           | 961           |
| <b>Total Programme 5</b>                           | <b>8,852</b>  | <b>8,072</b>  |
| <b>P6. Water Harvesting Storage for Irrigation</b> |               |               |
| SP 6.1 Water Storage for Irrigation                | 1,474         | 1,215         |
| SP 6.2 Water Harvesting for Irrigation             | 1,515         | 1,125         |
| <b>Total Programme 6</b>                           | <b>2,989</b>  | <b>2,340</b>  |
| <b>Total Vote</b>                                  | <b>77,532</b> | <b>63,121</b> |



During the review period, the Ministry completed the development and gazettment of Water Services Regulations, Water Harvesting and Storage Regulations, Water Resources Regulations and Irrigation (General) Regulations 2021. The Water Act (Amendments) Bill aimed at bridging gaps and



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addressing inconsistencies in Water Act, 2016 is still under formulation while KEWI Bill is under review. Undertook stakeholder sensitization and dissemination of policies and strategies namely: The National Water and Sanitation Strategy 2020-2025, The National Water Harvesting and storage Strategy 2020-2025 and the National Water Resources Strategy 2020-2025. On the implementation of the Water Act, the Ministry undertook Asset and Liabilities verification exercise resulting in a comprehensive consolidated report from all the Agencies which is currently being validated by a consultant before its Gazettement as required by the Act. In addition, handing over instruments have been developed as per the requirement of Article 69 of Water Act 2016 and have been forwarded to AG for concurrence before publication. Also, transboundary water policy and bill are at the stakeholder's participation level. The Ministry developed Key Policy documents including the National Water Policy of 2021 which has been operationalized; National Irrigation Services Strategy 2022-2026 and; Draft Sanitation policy which has been developed and a stakeholder consultation done. The National Irrigation Services Strategy (NISS) 2022-2026 has been finalized and published. The Irrigation (General) Regulations 2021 was gazetted and draft frameworks for establishment of County Irrigation Development Units (CIDUs) and an Irrigation Research Institution developed. The draft Procedure and Instrument for Handing Over Irrigation and Land Reclamation projects was approved by the AG for gazettement.

On the implementation of programmes, The Ministry was able to complete 52 projects during the review period with 38 being water projects, 4 sewerage projects and 10 being irrigation projects. During the same period, a total of 5 projects were started with 4 being water projects and 1 being protection works at Upper Tana Natural Resource Management Program. These increased water coverage from 65.5% to 70.0% while sewerage coverage in urban areas increased from 26% to 31% in financial years 2020/21 and 2021/22 respectively. The average progress of the Kenya Towns Sustainable Water and Sanitation program is 65%. The program targets rehabilitation and expansion of water and sanitation infrastructure in 28 towns across the country, connecting 2.1 million people to clean water and 1.3 million to sewer systems where 8 projects have already been completed. Projects completed in the review period are; Chogoria water supply, Pemba intake Water Supply, Malaba Sewerage and Othaya sewerage project.

Under the Big Four Agenda, the Ministry has been undertaking projects to supply water to sites identified by drivers including Special Economic Zones (SEZs) in Naivasha and Mombasa, Level 4, 3 and 2 hospitals across the country, housing projects in Nairobi and Athi River, three livestock holding grounds, two fish markets and three fish landing sites at the Coast. The Naivasha Industrial Park (Naivasha) and Dongo Kundu (Mombasa) water supply projects have been completed. Water connection to the livestock holding grounds, fish markets and fish landing sites at the Coast commenced in the 2021/2022 financial year and are ongoing. Under the Universal Health Coverage (UHC) Programme, 22 facilities have been connected with water out of the target 109.

Under the water resources management and protection programme, upgrading of 8 River Gauging stations and 45 weather stations to telemetry to enhance data and information collection was implemented. A total of 144 critical catchment areas were identified for gazettement. Management



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plans for Dik-dik wetlands, Lamu sand-dunes and Kikuyu ground water conservation areas were developed. Also 4 sub catchment management plans were developed and implemented. Groundwater mapping for Wajir, Turkana and Marsabit County was finalized and ground water potential maps submitted. In addition, ground water mapping of Mandera County, Athi and Tana basin areas covering 17 counties has been initiated.

On water harvesting and storage, the Ministry has completed the following dams: Karimenu dam, Thiba Dam and Yamo Dam. The Ministry also fast-tracked construction of large multipurpose dams namely Thwake dam (72%) to supply 150,000 cubic meters of water per day to Makueni County including Konza City, Mwache dam (Survey and Mobilization works) to supply 186,000 cubic meters of water per day to Mombasa, Kilifi and Kwale Counties. The Ministry is also constructing Medium Sized dams such as Siyoi Muruny Dam (65%) to supply 39,000 cubic meters of water per day to Kapenguria in West Pokot County. The Ministry also identified and constructed three peace dams namely Kases in West Pokot, Forolle in Marsabit and Naku'etum in Turkana. In addition, 67 no. small dams and pans were constructed in various counties.

On Irrigation programme, the Ministry developed 112,000 acres under public schemes and community-based smallholder irrigation schemes contributing an average 170,000 tons of rice, 17,000 tons of maize and Kshs 151 billion in value of horticultural produce for export annually, directly benefiting over 267,426 farmers. Further, the Ministry constructed 28,732 household water pans by the end of June 2022 across 31 counties with a combined potential volume of 39.9 million m<sup>3</sup> of water to irrigate about 38,904 acres of land and benefitting 28,732 households. In addition, to provide water and food security for schools, the Ministry drilled 13 public schools to support the old 4K clubs to begin commercial irrigation of horticultural crops and fruit/tree seedlings production using drip irrigation in greenhouses. In total, 120 public schools have been equipped with 81 boreholes, raised 20,000-liters water tank and 63 greenhouses constructed under the Micro-irrigation programme for schools. The programme also benefits over 35,000 people in communities neighbouring the schools.

During the year under review, the Ministry undertook post COVID-19 response works which was necessitated by the challenges faced by the Country due to the pandemic. The Ministry in collaboration with other Government and International Agencies continued the implementation of water projects to help contain spread of COVID-19. The World Bank supported the Ministry by granting Ksh 5 billion to support COVID-19 intervention measures, Japan International Cooperation Agency (JICA) bought chemicals worth Ksh 45 million while the Government of Kenya issued Ksh 200 million for chemicals and supported drilling and equipping of 50 boreholes in Nakuru County at a cost of 500 million.

The emerging issues related to the Ministry are: Water purification through desalination has become cheaper as a result of advancement of water purification technology, introduction of a pro-poor tariff band 1-6m<sup>3</sup> on water and sewerage services ensures water and sewerage services are affordable to majority of consumers as charges will be based on the actual consumption, mapping of degraded

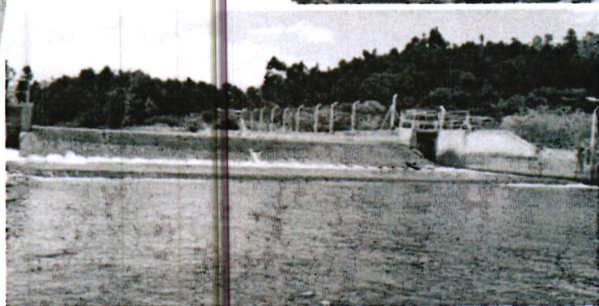


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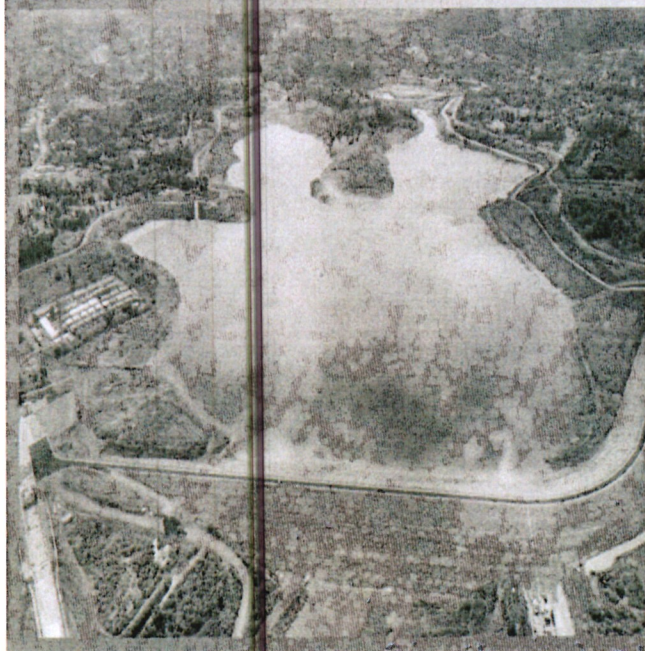
lands in the country is necessary for appropriate, efficient and effective county specific land reclamation programs aimed at reversing degradation and achieving land degradation Neutrality (LDN) and County- based mapping of irrigation schemes and national assessment of areas under irrigation is necessary for efficient and real time reporting.

Below are some of the projects the ministry undertook during the period under review:

**Kaigunji community irrigation project**



**THIBA DAM**



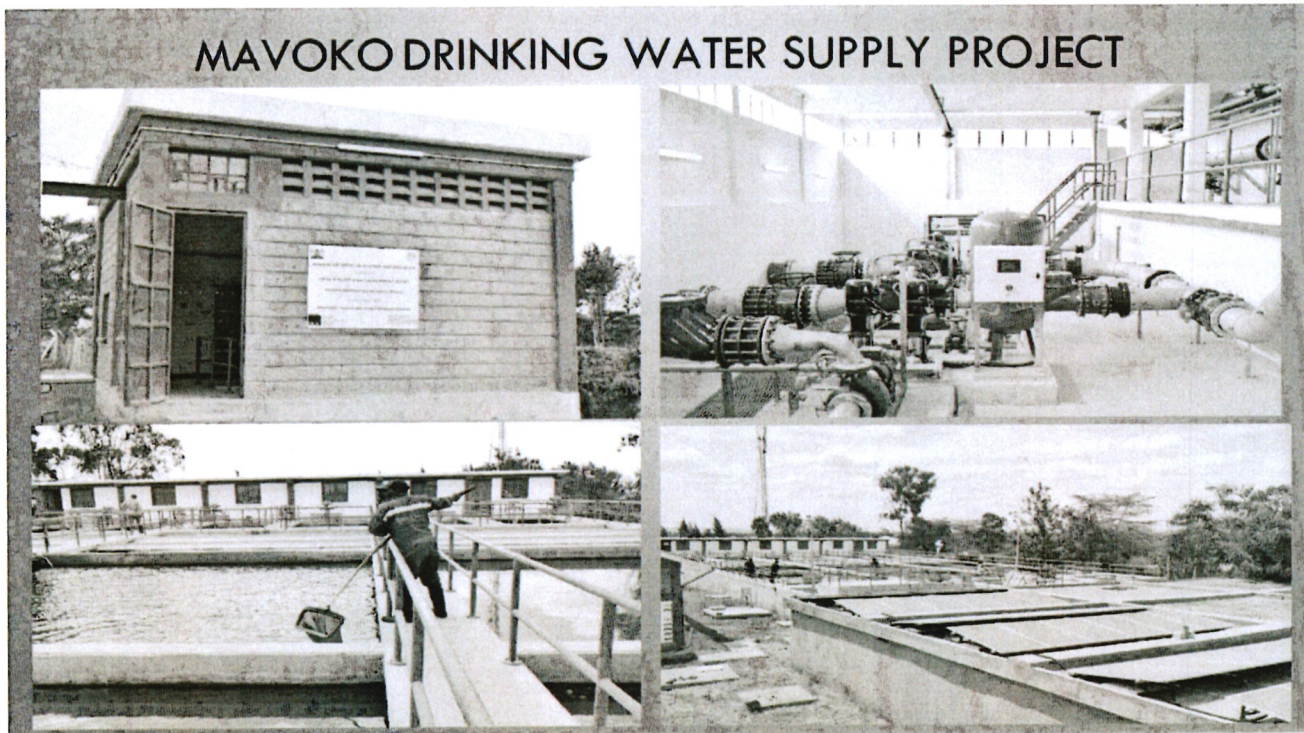


**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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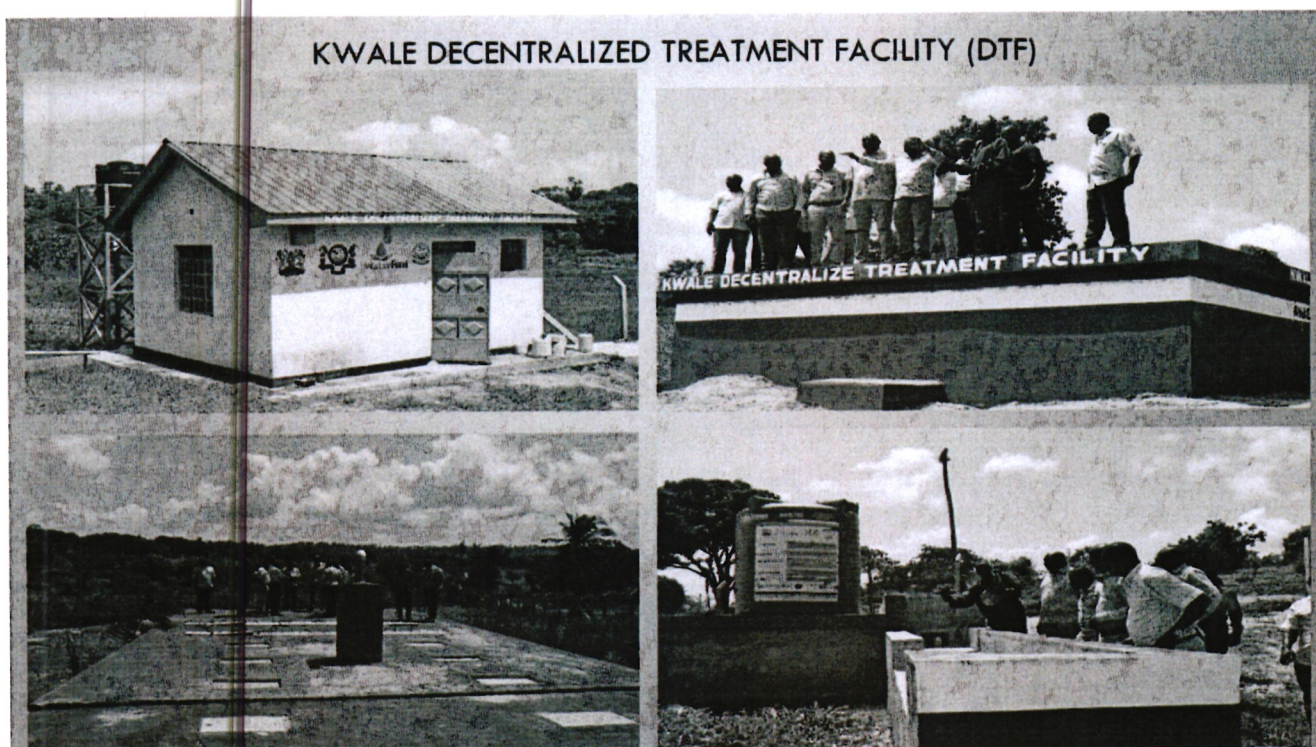
**20MM<sup>3</sup> KARIMENU II DAM**



**MAVOKO DRINKING WATER SUPPLY PROJECT**







The Ministry has put in place manage risks or anticipated changes which can impact on the entity for business continuity. A risk and management committee is in place and operational. Also risk champions from each department have been identified and capacity building on top management has been initiated. The Ministry has also developed Terms of reference for the development Risk Policy and Institutional Risk Management Framework (IRMF)

Despite these achievements, there were some challenges faced during the review period that include; The planned projects and programmes have been greatly impacted by COVID- 19 pandemic, through disruption of various activities, reallocation of funds and slow projects implementation, Lengthy process for masters list approval for tax exemption leading to delay in project implementation, Inadequate funds, delayed disbursements and inadequate counterpart funding has negatively impacted the implementation of some projects, Weak governance/management of irrigation schemes, Land acquisition/ compensation; way leaves issues for large infrastructure projects- RAP – due to land owner expectation and family succession issues, low sewerage coverage and inadequate effluent treatment continued to be a threat to improvement of water quality and public health especially in informal settlements, Effects of weather variability and Climate change on planning and implementation (destruction) of water and irrigation infrastructure development, Low household connection to completed water and sewerage projects affected the target level of access to water and sanitation services and High energy cost of water production impeding affordability of water

To address these challenges, the Ministry will continue to rationalize its activities to match the expected exchequer releases. In addition, the Ministry will continuously engage the National Treasury



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and Parliament with a view to enhance allocation for the projects, ensure prompt disbursement and provide funds for implementation of resettlement action plans in time

Project sites should be acquired and cordoned off early to reduce compensation claims which arise during project commencement.

There is a need for planning in order to meet increased demand for water and sanitation services arising from rapid growth of peri-urban and satellite towns: The Ministry to fast-track the implementation of Kenya Towns Sustainable Water Supply and Sanitation Program under Africa Development Bank funding which will support water and sanitation infrastructure in 28 towns, providing more than 2.1 million people with reliable and sustainable water supply services and more than 1.3 million people with sewerage services .

The Ministry is operationalizing framework for full involvement of the counties in the planning and implementation of national projects to enhance inclusivity, cooperation and effective participation in project implementation with the main focus of last mile connectivity to increase access to water and sanitation.

There is need to undertake studies on water-energy nexus to map the progressive energy cost of water and also adopt energy efficiency technology to reduce energy cost of water

There is need for strategic investments in key projects especially on last mile water and sewerage connectivity. Allocation of resources will be done such that the projects that are nearing completion are allocated more than the newly initiated ones.



**DR. KIPRONOH RONO P.**  
**PRINCIPAL SECRETARY**

**MINISTRY OF WATER, SANITATION AND IRRIGATION**



#### **4. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY2021/22**

##### **Introduction**

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

##### **The key development objectives of the Ministry's 2018-2022 plan are to:**

- a) To enhance sector governance and leadership through formulation and implementation of 4 no. Policies, 3no. Bills and 4no. Strategies in full compliance with the water Act of 2016 and Irrigation Act 2019
- b) To build human resource and financial capacity through training of 550 no. of staff annually, recruitment of 173 no. of staff and mobilization of Kshs 367.1 Bn by 2022
- c) To increase the per capita fresh water endowment from 527 MM3 to 700 MM3 through management, protection and conservation of water resources by 2022.
- d) To increase the percentage of national population with access to safe water from 60% in 2017 to 77% by the year 2022.
- e) To increase the percentage of national population with access to improved sanitation from 67% in 2020 to 85% by the year 2022
- f) To Increase water storage per capita from 4.5M3 to 14M3 by 2022, for domestic use, industrial use, irrigation, restoration and reclamation of degraded lands
- g) To increase area of land under irrigation from 484,000 in 2018 acres to 700000acres by 2022 and enhance sustainability of the irrigation schemes

##### **Progress on attainment of Strategic development objectives**

A review of the strategic plan 2018-2022 was done and the findings on extent of results achieved during the review period is presented in the table below:

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**Table 1.1: Summary of findings on the Implementation of Strategic Plan 2018-2022**

| Program                                               | Strategic Objective                                                                                                                                                                                       | Outcome                                                                      | Indicator                                                                                                                                                           | Performance                                                                                                                      | Comments                                                                                                                                                                                                                                             |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General Administration, Planning and Support Services | To enhance sector governance and leadership through formulation and implementation of 4 no. Policies, 3no.Bills and 5no. Strategies in full compliance with the water Act of 2016 and Irrigation Act 2019 | Good Governance in the Management of Water Resources and Irrigation services | Degree of implementation of enabling environment at all levels                                                                                                      | 85%                                                                                                                              | National Water Policy of 2021 operationalized/disseminated , Water regulations gazetted, Water and Irrigation strategies published and disseminated and Sanitation policy submitted to Cabinet for approval.                                         |
|                                                       |                                                                                                                                                                                                           |                                                                              | Degree of implementation of establishment and reform of institutions at all levels.                                                                                 | 90%                                                                                                                              | Water Appeals Board has not transited into Water Tribunal thus not operationalized due to problem with the law where the Act gave the WT a chairman but no members of the Board. It is proposed that this be corrected through amendment of the Act. |
|                                                       | To build human resource and financial capacity through training of 550 no. of staff annually, recruitment of 173 no. of staff and mobilization of Kshs 367.1Billion by 2022                               | Enhanced human resources and financial capacity                              | <ul style="list-style-type: none"> <li>No. of staff recruited annually</li> <li>No. of staff Trained Annually</li> <li>Amount in Kshs. Billion mobilized</li> </ul> | <ul style="list-style-type: none"> <li>72 staff recruited</li> <li>40 staff Trained</li> <li>Ksh 78 Billion Mobilized</li> </ul> | Human resources capacity and development was enhanced through recruitment and training of staff in various institutions for both short term and long courses.                                                                                        |



# MINISTRY OF WATER, SANITATION AND IRRIGATION

## Annual Report and Financial Statements for the year ended 30th June 2022

|                                                      |                                                                                                                                                                                   |                                                                    |                                                                                      |                           |                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Water Resources Management</b>                    | <p>To increase the per capita fresh water endowment from 527 MM<sup>3</sup> to 700 MM<sup>3</sup> through management, protection and conservation of water resources by 2022.</p> | <p>Increased availability of safe and adequate water resources</p> | <p>Total Renewable Water Resources (TRWR) per capita in m<sup>3</sup>/yr/cap</p>     | <p>450 MM<sup>3</sup></p> | <p>The country has limited natural renewable water resources estimated at 42.1BCM/year consisting of 20.6BCM/year surface water and 21.5BCM/year of ground water recharge. The population has been increasing but surface water resource availability has been dwindling due to climatic changes</p> |
| <b>Water and Sewerage Infrastructure Development</b> | <p>To increase the percentage of national population with access to safe water from 60% in 2017 to 80% by the year 2022</p>                                                       | <p>Enhanced accessibility of water services</p>                    | <p>Proportion of national population with access to safe drinking water service</p>  | <p>70%</p>                | <p>The increase in water coverage was achieved through completion of water schemes in major cities and expansion of water supplies in most of the medium size towns. 38 water projects were completed during the year under review.</p>                                                              |
|                                                      | <p>To increase the percentage of national population with access to improved sanitation from 68% in 2017 to 80% by the year 2022</p>                                              | <p>Enhanced accessibility of Sanitation services</p>               | <p>Proportion of national population using basic sanitation services<sup>1</sup></p> | <p>90%</p>                | <p>The national sanitation coverage increased from 70% in 2018/19 to 90% in 2022 with 9.5million additional people served. This was done through collaborative efforts in construction of sanitation projects in informal settlements and rural marginalized areas.</p>                              |

**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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|                                        |                                                                                                                                                                                      |                                                 |                                                                   |                   |                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        |                                                                                                                                                                                      |                                                 | Proportion of Urban population with access to sewerage connection | 31%               | This was achieved through expansion of sewerage schemes in urban areas and Sewerage Project-Last Mile Connectivity projects which translated to 1.1 million additional people connected to sewerage.                                                                                                                    |
| <b>Water Storage and Flood Control</b> | To Increase water storage per capita from 4.5M <sup>3</sup> to 14M <sup>3</sup> by 2022, for domestic use, industrial use, irrigation, restoration and reclamation of degraded lands | Enhanced Water Storage and Availability         | Water storage per capita in m <sup>3</sup> /cap                   | 5.5M <sup>3</sup> | Water storage capacity increased during the review period through completion of Yamo dam, Karimenu dam and Thiba Multipurpose dam with a dam capacity of 15.5 million cubic meters of water and construction of 24 pans/small dams with a total water storage capacity of 0.5 million cubic meters across the counties. |
| <b>Irrigation and Land Reclamation</b> | To increase area of land under irrigation from 484,000 in 2018 acres to 700,000 acres by 2022 and enhance sustainability of the schemes                                              | Enhanced Utilization of Land through Irrigation | Acres of land under irrigation                                    | 664,000 acres     | The total area under irrigation increased from 552,000 acres in 2020/21 to 664,000 acres in 2021/22 accounting for 35% coverage while out of the country's total arable land only 5.9% is equipped with irrigation infrastructure                                                                                       |
|                                        |                                                                                                                                                                                      |                                                 | New Acres put under irrigation                                    | 112,000 acres     | 112,000 acres under public schemes (Mwea, Turkana and Bura Irrigation schemes), community-based and smallholder irrigation schemes was developed                                                                                                                                                                        |



**MINISTRY OF WATER, SANITATION AND IRRIGATION****Annual Report and Financial Statements for the year ended 30th June 2022**

|  |  |  |  |  |  |                                                                                                                                                                                                               |
|--|--|--|--|--|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  |  |  |  |  | contributing an average<br>170,000 tons of rice, 17,000<br>tons of maize and Kshs 151<br>billion in value of<br>horticultural produce for<br>export annually, directly<br>benefiting over 267,426<br>farmers. |
|--|--|--|--|--|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**5. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

The Ministry of Water, Sanitation and Irrigation exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on Ministry of Water, Sanitation and Irrigation pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar:

**a) Sustainability strategy and profile**

The ministry has developed and submitted the National Water Policy to the Cabinet for approval. The ministry has also engaged a consultant to develop various regulations under: Water Services, Water Resources, Water Harvesting and Storage and the Water Tribunal to guide on implementation of the Water Act 2016.

The ministry has also drafted various strategies under: Water Services and Sanitation, National Water Resources Management, Water Harvesting and Storage.

To implement the planned programmes and projects, the ministry needs adequate resource allocation. The budget has been enhanced from Ksh. 60 Billion to Ksh.65 Billion. the ministry acts as an enabler to the "Big Four Agenda" through its various initiatives that include: Dongo Kundu water project in Mombasa, Economic Processing Zone in Athi river, and Industrial Park at Naivasha.

The ministry oversees many projects and as a result 160 projects have been completed under NEIP, 9,900 acres have been rehabilitated and under production, 7,100 water pans constructed and 32 small dams rehabilitated across 20 Counties.

The ministry has also supported the Building Bridges Initiatives by connecting 100 schools to clean water, building 100 pans with total water storage capacity of 2.1 trillion cubic metres, completing 118 boreholes in ASAL and 67 water projects are at different stages of completion.

The ministry of water has brought together different stakeholders by organizing the Kenya Sanitation Conference from 25th to 31st October 2019 which was attended by 1,800 stakeholders from all over the world to discuss various sanitation matters.

**b) Environmental performance**

All water sector institutions under the ministry have been directed to put 10% of the project area coverage by planting trees. The Ministry facilitated the coordination and planting of 150,000 seedlings within various catchment basins of Mwache, Lamu, Homabay, Kwale, Kitui and Migori. A total of 77,200 exotic trees, 67,900 indigenous trees and 4,900 fruit trees were planted from March to May, 2022. The Ministry has a further target to plant one million indigenous trees and 200,000 fruit trees.

The Ministry in collaboration with National Water and Storage Authority undertook Improvement of flood mitigation structures along River Nzoia where 23.27Km of dykes were constructed to reduce the impacts of flood along River Nzoia.



**c) Employee welfare**

During the period under review, the following activities were achieved: -

- Wage bill a total Ksh. 684,960,960.75 was spent
- Promotions -114
- Filling of vacant posts – 72 graduate entry positions (including Engineers, Hydrologists, Land reclamation officers)
- Training – 76 officers trained in short courses
- Internship – 40 interns were deployed in different departments to enhance their skills
- Industrial attachments- 64 students were offered attachments in the Ministry
- Re-designations – 8 officers
- Exits – 19 officers
- Forty (40) officers benefited from pre- retirement training this financial year.
- Performance appraisal: A total of 420 officers set targets, 365 were appraised at midterm and only 102 at end term. The department is fast tracking the harmonization of GHRIS with IPPD for enhanced effectiveness in performance management.
- Mental health and wellbeing: The Ministry had a counsellor to address the same. Efforts are underway to establish a unit to facilitate full operations of the mental health champions.
- Employee health and safety – The Ministry organized in house vaccination of employees.
- Provision of tea for members of staff is inadequate; Registry officers need to be issued with milk as a safety measure.
- Drinking water is available in the kitchenettes.
- Staff members are facilitated towards compliance with the MOH Covid 19 guidelines including provision of sanitizers and observance of social distance in sitting arrangements in the offices.

**d) Operational practices**

The ministry allocated Ksh. 159,752,037 to youth, women and Persons with disability enterprises out of a total budget of Ksh. 887,275,465 procurement budget for recurrent vote as per the performance contract. In the financial year ending 30<sup>th</sup> June a total of Ksh. 377,742,570 worth of tenders/quotation were awarded to Persons with disability enterprises from both recurrent and development vote of the ministry.

**e) Community Engagements**

The Ministry of Water, Sanitation and Irrigation has undertaken the following CSR programs in the following areas:

- Tree planting in the following catchment basins: Mwache, Lamu, Homabay, Kwale, Kitui and Migori. A total of 77,200 exotic trees, 67,900 indigenous trees and 4,900 fruit trees were planted from March to May, 2022
- Drilling of over 50 Boreholes to benefit residents living in the informal settlement in Nakuru County under Post COVID-19 strategy.



**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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**6. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

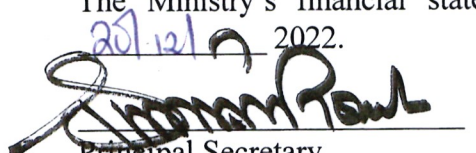
The Accounting Officer in charge of the Ministry of water, Sanitation and Irrigation is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Ministry of water, Sanitation and Irrigation accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Ministry's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the Ministry of water, Sanitation and Irrigation further confirms the completeness of the accounting records maintained for the ministry, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Ministry of water, Sanitation and Irrigation confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The Ministry's financial statements were approved and signed by the Accounting Officer on 20.12.2022.

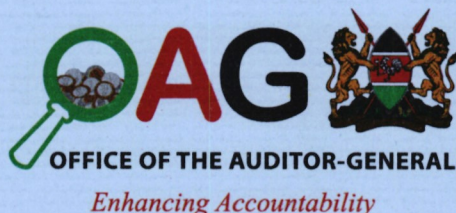
  
Principal Secretary  
Name: Dr. Kipronoh Ronoh P.

  
Deputy Accountant General  
Name: Agnes W. Waweru  
ICPAK Member Number: 5514



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## REPORT OF THE AUDITOR-GENERAL ON MINISTRY OF WATER, SANITATION AND IRRIGATION FOR THE YEAR ENDED 30 JUNE, 2022

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of the Ministry of Water, Sanitation and Irrigation set out on pages 1 to 31, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a

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*Report of the Auditor-General on Ministry of Water, Sanitation and Irrigation for the year ended 30 June, 2022*



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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Ministry of Water, Sanitation and Irrigation as at 30 June, 2022, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Unreconciled Transfers to Other Government Entities**

The statement of receipts and payments and Note 8 to the financial statements reflects transfers to other government units amounting to Kshs.61,516,304,273. The transfers comprised of Kshs.4,903,973,740 capital grants, Kshs.56,492,906,655 current grants, and Kshs.119,423,878 other capital grants. However, the financial statements for the recipients reflected receipts totalling to Kshs.54,979,519,755. The resulting variance of Kshs.6,536,784,518 was not reconciled or explained.

In the circumstances, the accuracy and completeness of the transfers to other government entities totalling to Kshs.61,516,304,273 for the year ended 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ministry of Water, Sanitation and Irrigation Management in accordance with ISSAI 130 on 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.

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Budgetary Control and Performance**

The summary statement of appropriation-recurrent and development combined reflects budgeted receipts of Kshs.77,868,904,533 against actual receipts of Kshs.63,288,404,599 resulting to an under-funding of Kshs.14,580,499,934 or approximately 19% of the budget. Similarly, the summary statement also reflects final expenditure budget and actual on comparable basis of Kshs.77,868,904,533 and Kshs.63,287,176,543 respectively, resulting to an under-expenditure of Kshs.14,581,727,990 or approximately 19% of the budget.



Although Management attributed the under-funding to lack of Exchequer releases from The National Treasury and lengthy procurement processes, the Ministry may not have implemented all the planned activities, thereby impacting negatively on delivery of services to the public.

## **2. Lack of Ownership Documents for Construction of Partakilat Water Supply Project (Narok County - Kilgoris Sub-County)**

Included in the expenditure of Kshs.991,454,179 on acquisition of assets is an amount of Kshs.56,182,293 paid by the Ministry to a Company for construction of a small dam (Partakilat Water Supply Project - Narok County - Kilgoris Sub-County). The Ministry awarded a tender to the contractor at a contract sum of Kshs.374,678,383. The Project scope of works included construction of an 8-meter-high embankment small dam with a storage capacity of 300,000m<sup>3</sup>, construction of 3.3Km - 160mm diameter HDPE rising water main from the dam to ground storage tank, construction of 250m<sup>3</sup> ground masonry tank with estimated prices of Kshs.3,145,424, construction of 6.8Km 160/110 mm diameter HDPE water distribution pipeline, land acquisition for dam site and some parts on a 10m high steel tower, erecting 288m<sup>3</sup> capacity steel tank on a 10m high steel tower with estimated prices of Kshs.11,965,388 and constructing a composite filter unit for water treatment whose budget would be sourced from contingencies and savings.

The contract was signed on 7 December, 2020 and the works commenced on 18 December, 2020. The project was to take twelve (12) months with the expected completion date of 17 December, 2021. However, audit inspection in the month of July, 2022 revealed that the project was 40% complete and therefore the contractor was behind schedule, although the Ministry had paid a total of Kshs.145,609,534 to the contractor. The projected completion time as per the project plan was 17 December, 2021.

Documents provided for audit revealed that the Ministry was to acquire the land on which the dam is being constructed through the contractor at a cost of Kshs.14 million. However, inspection of the project raised the following issues of concern;

- (i) Title ownership of the parcels of land on which the dam was to be constructed could not be confirmed.
- (ii) At the time of project commencement, the land owner(s) had not legally transferred the said parcels of lands to the Ministry and the sale agreements between the Ministry and the vendors were not provided for review.

In absence of title deeds for the land on which the dam and the tanks are being constructed, the Ministry is exposed to land disputes which may arise as the Ministry may have built the dam on a private land using public resources.

## **3. Delayed Project Implementation: Consultancy Services to Undertake Land Degradation Assessment (LADA) and Model Projection for Degradation Security for Upper Kerio Valley and Upper Ewaso Nyiro North River Watersheds**

The effective date of the contract was 28 October, 2020 and the commencement date was 27 November, 2020, being thirty (30) days after the effective date. The project was scheduled to be completed within 120 working days, tentatively by 31 May, 2021.



However, by 31 May, 2021, the project was not complete and the consultant requested for an extension to 30 June, 2022. At the time of audit in September, 2022, the extension period had lapsed but the project was still incomplete, and some deliverables were yet to be executed as per the contract.

The delayed project completion may indicate poor planning, monitoring and implementation of the project.

#### **4. Unresolved Prior Years Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or given any explanation for the failure to adhere to the provisions of the Public Sector Accounting Standards Board and the National Treasury's Circular Ref: AG.3/88/ Vol.VII(21) dated 11 May, 2022 on year end closing procedures for the financial year 2021/2022.

#### **5. Pending Bills**

Note 18.1 to the financial statements reflects pending bills amounting to Kshs.58,497,725. However, Annex 1 to the financial statements reflects pending bills totalling Kshs.64,994,871 resulting to an unexplained variance of Kshs.6,497,146, casting doubt on the accuracy and completeness of pending bills balance of Kshs.58,497,725 as at 30 June, 2022.

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

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

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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**

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

### **REPORT ON 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 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 overall governance were not effective.

## **Basis for Conclusion**

### **Weak internal controls in Stores and Inventory Management**

Examination of the Ministry's stores and the stock cards revealed the following weaknesses:

- (i) There was no proper custody, care and management of stores as only one officer is in charge of receiving and issuing of stocks and updating the stock cards. As a result, it is not easy to determine the re-order levels because the stock card balances are inaccurate. Review of stock cards revealed that additional slow moving/ low demand stock were purchased at the close of the financial year. However, Management has not provided explanations for purchasing additional slow-moving stock.
- (ii) The stores were not well arranged on the shelves as some stock items were placed on the floor.

In the circumstances, it is not possible to determine the effectiveness of controls implemented in the stores department to guard against losses.

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 Management and those Charged with Governance**

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

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

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

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



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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a



basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

**Nairobi**

**23 December, 2022**

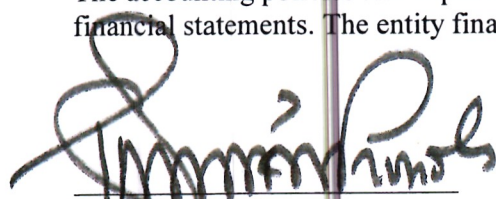


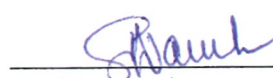
**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**STATEMENT OF RECEIPTS AND PAYMENTS**

|                                           | Note | 2021-2022<br>Kshs     | 2020-2021<br>Kshs     |
|-------------------------------------------|------|-----------------------|-----------------------|
| <b>RECEIPTS</b>                           |      |                       |                       |
| Proceeds from Domestic and Foreign Grants | 1    | 712,657,972           | 463,667,283           |
| Transfers from National Treasury          | 2    | 32,504,141,463        | 39,054,428,760        |
| Proceeds from Foreign Borrowings          | 3    | 28,237,574,118        | 26,315,143,264        |
| Proceeds from Sale of Assets              | 4    | 308,000,000           | 308,000,000           |
| Other Revenues                            | 5    | 1,526,031,046         | 1,589,824,135         |
| <b>TOTAL REVENUES</b>                     |      | <b>63,288,404,599</b> | <b>67,731,063,442</b> |
| <b>PAYMENTS</b>                           |      |                       |                       |
| Compensation of Employees                 | 6    | 698,557,117           | 706,206,258           |
| Use of goods and services                 | 7    | 77,560,775            | 75,747,712            |
| Transfers to Other Government Units       | 8    | 61,516,304,273        | 59,624,597,538        |
| Social Security Benefits                  | 9    | 3,300,199             | -                     |
| Acquisition of Assets                     | 10   | 991,454,179           | 7,309,638,139         |
| <b>TOTAL PAYMENTS</b>                     |      | <b>63,287,176,543</b> | <b>67,716,189,647</b> |
| <b>SURPLUS/DEFICIT</b>                    |      | <b>1,228,056</b>      | <b>14,873,795</b>     |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 20/12/2022 and signed by:

  
Principal Secretary  
Name: Dr. Kiprono Ronoh P

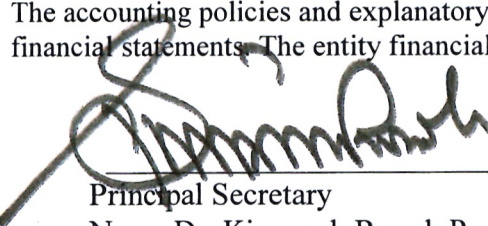
  
Deputy Accountant General  
Name: Agnes W. Waweru  
ICPAK Member Number: 5514

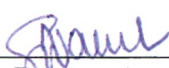
**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**STATEMENT OF ASSETS AND LIABILITIES**

|                                                                      | Note | 2021-2022<br>Kshs  | 2020-2021<br>Kshs  |
|----------------------------------------------------------------------|------|--------------------|--------------------|
| <b>FINANCIAL ASSETS</b>                                              |      |                    |                    |
| <b>Cash and Cash Equivalents</b>                                     |      |                    |                    |
| Bank Balances                                                        | 11A  | 248,126,020        | 187,344,483        |
| Cash Balances                                                        | 11B  | 241,472            | 381,802            |
| <b>Total Cash And Cash Equivalents</b>                               |      | <b>248,367,492</b> | <b>187,726,285</b> |
| Accounts Receivables - Outstanding Imprest and<br>Clearance Accounts | 12   | -                  | -                  |
| <b>TOTAL FINANCIAL ASSETS</b>                                        |      | <b>248,367,492</b> | <b>187,726,285</b> |
| <b>LESS: FINANCIAL LIABILITIES</b>                                   |      |                    |                    |
| Accounts Payables - Deposits                                         | 13   | 246,757,632        | 172,852,488        |
| <b>NET FINANCIAL ASSETS</b>                                          |      | <b>1,609,859</b>   | <b>14,873,797</b>  |
| <b>REPRESENTED BY</b>                                                |      |                    |                    |
| Fund balance b/fwd                                                   | 14   | 14,873,797         | 19,018             |
| Prior year adjustments                                               | 15   | (14,491,995)       | (19,018)           |
| Surplus/Deficit for the year                                         |      | 1,228,056          | 14,873,795         |
| <b>NET FINANCIAL POSSITION</b>                                       |      | <b>1,609,859</b>   | <b>14,873,797</b>  |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 20/12/22 2022 and signed by:

  
Principal Secretary  
Name: Dr. Kipronoh Ronoh P.

  
Deputy Accountant General  
Name: Agnes W. Waweru  
ICPAK Member Number: 5514

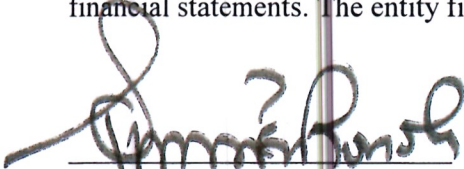


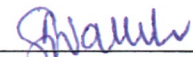
**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**STATEMENT OF CASH FLOWS**

|                                                                   | Note | 2021-2022<br>Kshs       | 2020-2021<br>Kshs       |
|-------------------------------------------------------------------|------|-------------------------|-------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                        |      |                         |                         |
| <b>Receipts for operating income</b>                              |      |                         |                         |
| Transfers from National Treasury                                  | 2    | 32,504,141,463          | 39,054,428,760          |
| Other Revenues                                                    | 5    | 1,526,031,046           | 1,589,824,135           |
|                                                                   |      | <b>34,030,172,509</b>   | <b>40,644,252,895</b>   |
| <b>Payments for operating expenses</b>                            |      |                         |                         |
| Compensation of Employees                                         | 6    | 698,557,117             | 706,206,258             |
| Use of goods and services                                         | 7    | 77,560,775              | 75,747,712              |
| Transfers to Other Government Units                               | 8    | 61,516,304,273          | 59,624,597,538          |
| Social Security Benefits                                          | 9    | 3,300,199               | -                       |
|                                                                   |      | <b>62,295,722,364</b>   | <b>60,406,551,508</b>   |
| <b>Adjusted for:</b>                                              |      |                         |                         |
| Increase/(Decrease) in Accounts Receivables:                      | 15   | -                       | -                       |
| Increase/(Decrease) in Accounts Payable: (deposits and retention) | 16   | 73,905,144              | (119,758,095)           |
| Prior Year Adjustments                                            | 14   | (14,491,995)            | (19,018)                |
|                                                                   |      | <b>(28,206,136,706)</b> | <b>(19,882,075,726)</b> |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                         |      |                         |                         |
| Acquisition of Assets                                             | 9    | (991,454,179)           | (7,309,638,139)         |
| <b>Net cash flows from Investing Activities</b>                   |      | <b>(991,454,179)</b>    | <b>(7,309,638,139)</b>  |
| <b>CASHFLOW FROM BORROWING ACTIVITIES</b>                         |      |                         |                         |
| Proceeds from Domestic and Foreign Grants                         | 1    | 712,657,972             | 463,667,283             |
| Proceeds from Foreign Borrowings                                  | 3    | 28,237,574,118          | 26,315,143,264          |
| Proceeds from Sale of Assets                                      | 4    | 308,000,000             | 308,000,000             |
| <b>Net cash flow from financing activities</b>                    |      | <b>29,258,232,090</b>   | <b>27,086,810,547</b>   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>                   |      | <b>60,641,205</b>       | <b>(104,903,318)</b>    |
| <b>Cash and cash equivalent at BEGINNING of the year</b>          |      | <b>187,726,285</b>      | <b>292,629,601</b>      |
| <b>Cash and cash equivalent at END of the year</b>                |      | <b>248,367,491</b>      | <b>187,726,285</b>      |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 20/12 2022 and signed by:

  
Principal Secretary  
Name: Dr. Kipronoh Ronoh P.

  
Deputy Accountant General  
Name: Agnes W. Waweru  
ICPAK Member Number: 5514



## SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

| Revenue/Expense Item                      | Original Budget       | Adjustments        | Final Budget          | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation Difference to Final Budget<br>f=d/c % |
|-------------------------------------------|-----------------------|--------------------|-----------------------|----------------------------|-------------------------------|--------------------------------------------------------|
|                                           | a                     | b                  | c=a+b                 | d                          | e=c-d                         | f=d/c %                                                |
| <b>RECEIPTS</b>                           |                       |                    |                       |                            |                               |                                                        |
| Proceeds from Domestic and Foreign Grants | 1,433,000,000         | 459,534,225        | 1,892,534,225         | 712,657,972                | 1,179,876,253                 | 38%                                                    |
| Exchequer releases                        | 37,715,228,930        | (542,055,259)      | 37,173,173,671        | 32,504,141,463             | 4,669,032,208                 | 86%                                                    |
| Proceed from sale of assets               | 308,000,000           | 0                  | 308,000,000           | 308,000,000                | -                             | 100%                                                   |
| Proceeds from Foreign Borrowings          | 36,080,000,000        | 337,196,637        | 36,417,196,637        | 28,237,574,118             | 8,179,622,519                 | 78%                                                    |
| Other Receipts                            | 2,078,000,000         | 0                  | 2,078,000,000         | 1,526,031,046              | 551,968,954                   | 73%                                                    |
| <b>Total Receipts</b>                     | <b>77,614,228,930</b> | <b>254,675,603</b> | <b>77,868,904,533</b> | <b>63,288,404,599</b>      | <b>14,580,499,934</b>         |                                                        |
| <b>Payments</b>                           |                       |                    |                       |                            |                               |                                                        |
| Compensation of Employees                 | 796,000,000           | (95,100,000)       | 700,900,000           | 698,557,117                | 2,342,883                     | 100%                                                   |
| Use of goods and services                 | 134,794,039           | (31,042,204)       | 103,751,835           | 77,560,775                 | 26,191,060                    | 75%                                                    |
| Transfers to Other Government Units       | 75,284,500,000        | 387,730,862        | 75,672,230,862        | 61,516,304,273             | 14,155,926,589                | 90%                                                    |
| Social security Benefits                  | 0                     | 22,451,410         | 22,451,410            | 3,300,199                  | 19,151,211                    | 15%                                                    |
| Acquisition of Assets                     | 1,398,934,891         | (29,364,465)       | 1,369,570,426         | 991,454,179                | 378,116,247                   | 72%                                                    |
| <b>Grand Total</b>                        | <b>77,614,228,930</b> | <b>254,675,603</b> | <b>77,868,904,533</b> | <b>63,287,176,543</b>      | <b>14,581,727,990</b>         |                                                        |
| <b>Surplus/Deficit</b>                    |                       |                    |                       | <b>1,228,056</b>           |                               |                                                        |

## NOTES:

- I. The underutilization on proceeds from domestic and foreign grants of 62% was due to Sagas not requisitioning for funds due to delay in project implementation as a result of lengthy procurement process and lengthy funds flow processes in donor funded projects.
- II. The underutilization on proceeds from foreign borrowing of 22% was due to Sagas not requisitioning for funds due to delay in project implementation as a result of lengthy procurement process and lengthy funds flow processes in donor funded projects.
- III. The underutilization on Use of goods and services of 25% is due to lack of exchequer funding

The entity financial statements were approved on 20/12/22 2022 and signed by:



Principal Secretary

Name: Dr. Kipronoh Ronoh P.



Deputy Accountant General

Name: Agnes W. Waweru

ICPAK Member Number: 5514



## SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

| Revenue/Expense Item                | Original Budget<br>a | Adjustments<br>b     | Final Budget<br>c=a+b | Actual on Comparable<br>Basis<br>d | Budget Utilisation<br>Difference<br>e=d-c | % of<br>Utilisation<br>Difference<br>to Final<br>Budget<br>f=d/c % |
|-------------------------------------|----------------------|----------------------|-----------------------|------------------------------------|-------------------------------------------|--------------------------------------------------------------------|
| <b>RECEIPTS</b>                     |                      |                      |                       |                                    |                                           |                                                                    |
| Exchequer releases                  | 4,009,728,930        | (104,055,259)        | 3,905,673,671         | 3,850,089,190                      | 55,584,481                                | 99%                                                                |
| Proceed from sale of assets         | 308,000,000          | 0                    | 308,000,000           | 308,000,000                        | -                                         | 100%                                                               |
| Other Receipts                      | 2,078,000,000        | 0                    | 2,078,000,000         | 1,526,031,046                      | 551,968,954                               | 73%                                                                |
| <b>Total Receipts</b>               | <b>6,395,728,930</b> | <b>(104,055,259)</b> | <b>6,291,673,671</b>  | <b>5,684,120,236</b>               | <b>607,553,435</b>                        |                                                                    |
| <b>PAYMENTS</b>                     |                      |                      |                       |                                    |                                           |                                                                    |
| Compensation of Employees           | 796,000,000          | (95,100,000)         | 700,900,000           | 698,557,117                        | 2,342,883                                 | 100%                                                               |
| Use of goods and services           | 134,794,039          | (31,042,204)         | 103,751,835           | 77,560,775                         | 26,191,060                                | 75%                                                                |
| Transfers to Other Government Units | 5,463,000,000        | 0                    | 5,463,000,000         | 4,903,973,740                      | 559,026,260                               | 90%                                                                |
| Social security Benefits            | 0                    | 22,451,410           | 22,451,410            | 3,300,199                          | 19,151,211                                | 15%                                                                |
| Acquisition of Assets               | 1,934,891            | (364,465)            | 1,570,426             | 89,600                             | 1,480,826                                 | 6%                                                                 |
| <b>Total</b>                        | <b>6,395,728,930</b> | <b>(104,055,259)</b> | <b>6,291,673,671</b>  | <b>5,683,481,431</b>               | <b>608,192,240</b>                        | <b>90%</b>                                                         |
| <b>Surplus/Deficit</b>              |                      |                      |                       | <b>638,805</b>                     |                                           |                                                                    |

## Notes:

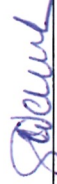
- I. The underutilization on Use of goods and services of 25% is due to lack of exchequer funding.
- II. The underutilization on Acquisition of assets of 94% is due to insufficient allocation of funds in items that cannot be subdivided.
- III. The underutilization on other receipts of 27% is as a result of under collection by SAGAs due to devolvement that shifted revenue collection to the county governments.

The entity financial statements were approved on 21/12/2022 and signed by:



Principal Secretary

Name: Dr. Kipronoh Ronoh P.



Deputy Accountant General

Name: Agnes W. Waweru

ICPAK Member Number: 5514



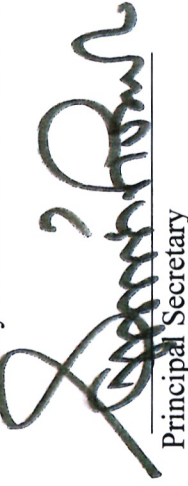
## SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

| Revenue/Expense Item                      | Original Budget<br>a  | Adjustments<br>b      | Final Budget<br>c=a+b | Actual on Comparable<br>Basis<br>d | Budget Utilisation<br>Difference<br>e=c-d | % of<br>Utilisation<br>f=d/c % |
|-------------------------------------------|-----------------------|-----------------------|-----------------------|------------------------------------|-------------------------------------------|--------------------------------|
| <b>RECEIPTS</b>                           |                       |                       |                       |                                    |                                           |                                |
| Proceeds from Domestic and Foreign Grants | 1,433,000,000         | 459,534,225.00        | 1,892,534,225         | 712,657,972                        | 1,179,876,252.95                          | 38%                            |
| Exchequer releases                        | 33,705,500,000        | -                     | 33,267,500,000        | 28,654,052,273                     | 4,613,447,727.00                          | 86%                            |
| Proceeds from Foreign Borrowings          | 36,080,000,000        | 337,196,637.00        | 36,417,196,637        | 28,237,574,118                     | 8,179,622,518.95                          | 78%                            |
| <b>Total Receipts</b>                     | <b>71,218,500,000</b> | <b>358,730,862.00</b> | <b>71,577,230,862</b> | <b>57,604,284,363</b>              | <b>13,972,946,499</b>                     |                                |
| <b>Payments</b>                           |                       |                       |                       |                                    |                                           |                                |
| Transfers to Other Government Units       | 69,821,500,000        | 387,730,862.00        | 70,209,230,862        | 56,612,330,533                     | 13,596,900,329                            | 81%                            |
| Acquisition of Assets                     | 1,397,000,000         | -                     | 1,368,000,000         | 991,364,579                        | 376,635,421                               | 72%                            |
| <b>Total</b>                              | <b>71,218,500,000</b> | <b>358,730,862.00</b> | <b>71,577,230,862</b> | <b>57,603,695,112</b>              | <b>13,973,535,750</b>                     |                                |
| <b>Surplus/Deficit</b>                    |                       |                       | <b>-</b>              | <b>589,251</b>                     |                                           |                                |

## NOTES:

- I. The underutilization on proceeds from domestic and foreign grants of 62% was due to Sagas not requisitioning for funds due to delay in project implementation as a result of lengthy procurement process and lengthy funds flow processes in donor funded projects..
- II. The underutilization on proceeds from foreign borrowing of 22% was due to Sagas not requisitioning for funds due to delay in project implementation as a result of lengthy procurement process and lengthy funds flow processes in donor funded projects.
- III. The underutilization on transfer to other government units of 20% was as a result of Sagas not requisitioning for funds due to delay in project implementation as a result of lengthy procurement process and lengthy funds flow processes in donor funded projects.
- IV. The underutilization on Acquisition of assets of 28% is as a result of low absorption in Drought Resilience Programme in Northern Kenya caused by lengthy funds flow processes in donor funded projects.

The entity financial statements were approved on 20/12/ 2022 and signed by:

  
Principal Secretary

  
Deputy Accountant General

Name: Dr. Kipronoh Ronoh P.

Name: Agnes W. Waweru

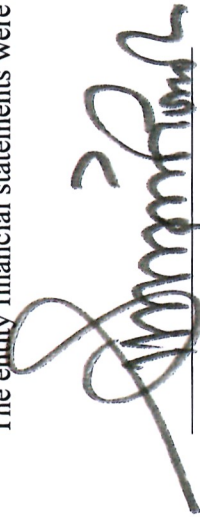
ICPAK Member Number: 5514



BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMS

| Description                                 | Approved Budget       | Actual Payments       | Variance              | Budget utilization<br>Variance |
|---------------------------------------------|-----------------------|-----------------------|-----------------------|--------------------------------|
| General Administration Planning and Support | 869,713,124           | 857,764,437           | 11,948,687            | 99%                            |
| Water Resource Management                   | 20,186,982,729        | 15,685,586,440        | 4,501,396,289         | 78%                            |
| Water & Sewerage infrastructure development | 3,294,375,813         | 2,748,045,875         | 546,329,938           | 83%                            |
| Water harvesting and storage for irrigation | 20,433,327,819        | 19,681,131,602        | 752,196,217           | 96%                            |
| Irrigation and land reclamation             | 33,084,508,048        | 26,858,809,091        | 6,225,698,957         | 81%                            |
| <b>Grand Total</b>                          | <b>77,868,907,533</b> | <b>65,831,337,445</b> | <b>12,037,570,088</b> |                                |

The entity financial statements were approved on 20/12 2022 and signed by:



Principal Secretary  
Name: Dr. Kipronoh Ronoh P.



Deputy Accountant General  
Name: Agnes W. Waweru  
ICPAK Member Number: 5514

**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**SIGNIFICANT ACCOUNTING POLICIES**

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

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

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

**2. Reporting Entity**

The financial statements are for the Ministry of Water and Sanitation. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012.

**3. Reporting Currency**

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

**4. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

**a) Recognition of Receipts**

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

**. Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.



## **SIGNIFICANT ACCOUNTING POLICIES**

- **Transfers from the Exchequer**

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

- **External Assistance**

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

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2022, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

- **Other receipts**

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

### **b) Recognition of payments**

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

- **Compensation of Employees**

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

- **Use of Goods and Services**

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

- **Interest on Borrowing**

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

**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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**SIGNIFICANT ACCOUNTING POLICIES**

• **Repayment of Borrowing (Principal Amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

• **Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

**6. Third Party Payments**

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

**7. 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.

**Restriction on Cash**

Restricted cash represents amounts that are limited/ restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2022, this amounted to Kshs. 246,757,632 compared to Kshs. 172,852,488 in prior period as indicated on note 11A.

There were no other restrictions on cash during the year.



## **SIGNIFICANT ACCOUNTING POLICIES**

### **8. Accounts Receivable**

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

### **9. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

### **10. Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2021 for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

### **12. Comparative Figures**

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

**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**SIGNIFICANT ACCOUNTING POLICIES**

**13. 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 30<sup>th</sup> June 2022.

**14. Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 13 explaining the nature and amounts.

**15. Related Party Transactions**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.



**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

| Name of Donor                                                          | Date received | Amount in foreign currency | 2021-2022<br>Kshs  | 2020-2021<br>Kshs  |
|------------------------------------------------------------------------|---------------|----------------------------|--------------------|--------------------|
| Grants Received from Bilateral Donors (Foreign Governments)            |               |                            |                    |                    |
|                                                                        |               |                            | 548,027,531        | 119,268,239        |
|                                                                        |               |                            |                    |                    |
| Grants Received from Multilateral Donors (International Organisations) |               |                            | 164,630,441        | 344,399,044        |
|                                                                        |               |                            |                    |                    |
|                                                                        |               |                            |                    |                    |
|                                                                        |               |                            |                    |                    |
| <b>TOTAL</b>                                                           |               |                            | <b>712,657,972</b> | <b>463,667,283</b> |

The above grants were used in the implementation of development projects

**2 EXCHEQUER RELEASES**

| Description                            | Reference of the tr | Date of transfer | 2021-2022<br>Kshs     | 2020-2021<br>Kshs     |
|----------------------------------------|---------------------|------------------|-----------------------|-----------------------|
| Total Exchequer Releases for quarter 1 |                     |                  | 9,979,732,507         | 7,343,315,074         |
| Total Exchequer Releases for quarter 2 |                     |                  | 6,634,864,331         | 4,099,641,569         |
| Total Exchequer Releases for quarter 3 |                     |                  | 5,531,724,130         | 5,367,555,647         |
| Total Exchequer Releases for quarter 4 |                     |                  | 10,357,820,495        | 22,243,916,470        |
| <b>TOTAL</b>                           |                     |                  | <b>32,504,141,463</b> | <b>39,054,428,760</b> |

**3 PROCEEDS FROM FOREIGN BORROWINGS**

| Description                                     | 2021-2022<br>Kshs     | 2020-2021<br>Kshs     |
|-------------------------------------------------|-----------------------|-----------------------|
| Foreign Borrowing - Drawdowns through Exchequer | 124,844,217           |                       |
| Foreign Borrowing - Direct Payments             | 28,112,729,901        | 26,315,143,264        |
|                                                 |                       |                       |
| <b>TOTAL</b>                                    | <b>28,237,574,118</b> | <b>26,315,143,264</b> |

**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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**4 PROCEEDS FROM SALE OF ASSETS**

| Description                                              |  |  | 2021-2022<br>Kshs  | 2020-2021<br>Kshs  |
|----------------------------------------------------------|--|--|--------------------|--------------------|
| Receipts from sale of certified seeds and Breeding Stock |  |  | 308,000,000        | 308,000,000        |
| <b>TOTAL</b>                                             |  |  | <b>308,000,000</b> | <b>308,000,000</b> |

**5 OTHER REVENUES**

| Description                                                         |  |  | 2021-2022<br>Kshs    | 2020-2021<br>Kshs    |
|---------------------------------------------------------------------|--|--|----------------------|----------------------|
| Sales of Market Establishments                                      |  |  | 1,526,031,046        | 1,589,824,135        |
| Receipts from Administrative Fees and Charges                       |  |  |                      |                      |
| Receipts from Administrative Fees and Charges -<br>Collected as AIA |  |  |                      |                      |
| <b>TOTAL</b>                                                        |  |  | <b>1,526,031,046</b> | <b>1,589,824,135</b> |

**6 COMPENSATION OF EMPLOYEES**

| Description                                |  |  | 2021-2022<br>Kshs  | 2020-2021<br>Kshs  |
|--------------------------------------------|--|--|--------------------|--------------------|
| Basic salaries of permanent employees      |  |  | 464,072,746        | 467,954,797        |
| Personal allowances paid as part of salary |  |  | 234,484,371        | 238,251,461        |
| <b>TOTAL</b>                               |  |  | <b>698,557,117</b> | <b>706,206,258</b> |



**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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**7 USE OF GOODS AND SERVICES**

| Description                                                  | 2021-2022 |                   | 2020-2021 |                   |
|--------------------------------------------------------------|-----------|-------------------|-----------|-------------------|
|                                                              | Kshs      |                   | Kshs      |                   |
| Utilities, supplies and services                             |           | 7,790,997         |           | 6,917,033         |
| Communication, supplies and services                         |           | 1,296,790         |           | 953,518           |
| Domestic travel and subsistence                              |           | 21,325,828        |           | 17,089,763        |
| Foreign travel and subsistence                               |           | 2,635,882         |           | 1,372,899         |
| Printing, advertising and information supplies & services    |           | 342,378           |           | 362,892           |
| Training expenses                                            |           | 1,869,741         |           | 2,006,130         |
| Hospitality supplies and services                            |           | 4,902,345         |           | 11,204,681        |
| Specialised materials and services                           |           | 4,773,237         |           | 915,223           |
| Office and general supplies and services                     |           | 3,678,353         |           | 1,303,160         |
| Other operating expenses                                     |           | 10,964,574        |           | 13,125,561        |
| Routine maintenance – vehicles and other transport equipment |           | 7,564,206         |           | 8,249,120         |
| Routine maintenance – other assets                           |           | 4,987,393         |           | 3,447,142         |
| Fuel Oil and Lubricants                                      |           | 5,429,050         |           | 8,800,590         |
| <b>TOTAL</b>                                                 |           | <b>77,560,775</b> |           | <b>75,747,712</b> |

**8 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES**

| Description                                               | 2021-2022 |                       | 2020-2021 |                       |
|-----------------------------------------------------------|-----------|-----------------------|-----------|-----------------------|
|                                                           | Kshs      |                       | Kshs      |                       |
| Transfers to National Government entities :Capital Grants |           | 4,903,973,740         |           | 4,959,892,139         |
| Transfers to National Government entities :Current Grants |           | 56,492,906,655        |           | 54,664,705,399        |
| Other capital Grants and transfers                        |           | 119,423,878           |           | 0                     |
| <b>TOTAL</b>                                              |           | <b>61,516,304,273</b> |           | <b>59,624,597,538</b> |

The above transfers were made to the following self-reporting entities in the year:

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| Description                                                     | Recurrent            | Development           | A.I.A-Direct payments | Total                 |
|-----------------------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|
|                                                                 | Kshs                 | Kshs                  | Kshs                  | Kshs                  |
| <b>Transfers to SAGAs and SCs:</b>                              |                      |                       |                       |                       |
| Lake Victoria South Water works development agency              | 117,999,996          | 1,017,636,000         | 547,045,746           | 1,682,681,742         |
| Tanathi Water works development agency                          | 116,000,000          | 769,176,000           | 213,440,958           | 1,098,616,958         |
| Water Resource Authority                                        | 384,000,000          | 228,000,000           | 0                     | 612,000,000           |
| Athi Water works development agency                             | 390,000,000          | 4,513,708,230         | 11,577,136,299        | 16,480,844,528        |
| Northern Water works development agency                         | 102,000,000          | 1,104,385,000         | 0                     | 1,206,385,000         |
| Central Rift Valley Water works development agency              | 176,000,000          | 754,551,000           | 2,808,179,805         | 3,738,730,805         |
| Water Sector Trust Fund                                         | 167,000,000          | 735,415,354           | 0                     | 902,415,354           |
| North Riftvalley Water works development agency                 | 49,999,900           | 179,741,000           | 0                     | 229,740,900           |
| Upper Tana Catchment Natural Resources Management Project       | 0                    | 697,656,930           | 100,000,000           | 797,656,930           |
| Kenya Water Security and Climate Resilience Project             | 0                    | 925,878,376           | 1,382,168,790         | 2,308,047,166         |
| Kenya Water Institute                                           | 203,000,000          | 40,000,000            | 0                     | 243,000,000           |
| National Irrigation Authority                                   | 246,000,000          | 8,406,520,830         | 2,457,262,692         | 11,109,783,522        |
| Coast Water works development agency                            | 413,000,000          | 1,073,167,000         | 663,671,304           | 2,149,838,304         |
| Tana Water works development agency                             | 132,999,996          | 494,629,000           | 2,289,091,266         | 2,916,720,262         |
| National Water Harvesting and Storage Authority                 | 383,000,000          | 1,547,500,000         | 0                     | 1,930,500,000         |
| Lake Victoria North Water works development agency              | 128,000,000          | 133,237,000           | 100,000,000           | 361,237,000           |
| Regional Centre on Ground Water Resource Education and Research | 33,999,996           | 29,000,000            | 0                     | 62,999,996            |
| Coastal Region Water Security and Climate Resilience Project    | 0                    | 838,273,973           | 278,441,332           | 1,116,715,305         |
| Thwke Multipurpose Water Development Programme                  | 0                    | 53,944,125            | 6,758,699,149         | 6,812,643,274         |
| Water and Sanitation Development Project                        | 0                    | 2,951,893,790         | 0                     | 2,951,893,790         |
| Hydrologist Registration Board                                  | 15,000,000           | 0                     | 0                     | 15,000,000            |
| A.I.A- Collection                                               | 1,830,987,554        | 0                     | 0                     | 1,830,987,554         |
| Head Quarter Projects                                           | 14,986,298           | 926,728,533           | 16,151,052            | 957,865,883           |
| <b>TOTAL</b>                                                    | <b>4,903,973,740</b> | <b>27,421,042,140</b> | <b>29,191,288,393</b> | <b>61,516,304,273</b> |

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to this financial statements

## 9 SOCIAL SECURITY BENEFITS

| Description                                |  |  | 2021-2022<br>Kshs | 2020-2021<br>Kshs |
|--------------------------------------------|--|--|-------------------|-------------------|
| Government Pension and Retirement Benefits |  |  | 3,300,199         | -                 |
|                                            |  |  |                   | -                 |
|                                            |  |  |                   |                   |
| <b>TOTAL</b>                               |  |  | <b>3,300,199</b>  | <b>-</b>          |



**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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**10 ACQUISITION OF ASSETS**

| Description                                                  |  |  | 2021-2022<br>Kshs  | 2020-2021<br>Kshs    |
|--------------------------------------------------------------|--|--|--------------------|----------------------|
| <b>Non Financial Assets</b>                                  |  |  |                    |                      |
| Construction and Civil Works                                 |  |  | 925,308,830        | 7,275,011,454        |
| Purchase of Specialised Plant, Equipment and Machinery       |  |  | 89,600             | 27,000               |
| Research, Studies, Project Preparation, Design & Supervision |  |  | 66,055,749         | 34,599,685           |
| Rehabilitation of Civil Works                                |  |  |                    |                      |
| <b>TOTAL</b>                                                 |  |  | <b>991,454,179</b> | <b>7,309,638,139</b> |

**11A: Bank Accounts**

| Name of Bank, Account No. & currency   | Amount in bank account currency | Indicate whether recurrent, Development. | Exc rate (if in foreign currency) | 2021-2022<br>Kshs  | 2020-2021<br>Kshs  |
|----------------------------------------|---------------------------------|------------------------------------------|-----------------------------------|--------------------|--------------------|
| Central Bank of Kenya, 1000456997,KShs |                                 | Recurrent                                | -                                 | 779,136            | 13,924,133         |
| Central Bank of Kenya,1000457007,KShs  |                                 | Development                              | -                                 | 589,251            | 567,862            |
| Central Bank of Kenya, 1000457015,KShs |                                 | Deposit                                  | -                                 | 246,757,632        | 172,852,488        |
| <b>Total</b>                           |                                 |                                          |                                   | <b>248,126,020</b> | <b>187,344,483</b> |

**11B: CASH IN HAND**

| Description                              |  |  | 2021-2022<br>Kshs | 2020-2021<br>Kshs |
|------------------------------------------|--|--|-------------------|-------------------|
| Cash in Hand – Held in domestic currency |  |  | 241,472           | 381,802           |
| <b>TOTAL</b>                             |  |  | <b>241,472</b>    | <b>381,802</b>    |

Cash in hand should also be analysed as follows:

| Description                                          |  |  | 2021-2022<br>Kshs | 2020-2021<br>Kshs |
|------------------------------------------------------|--|--|-------------------|-------------------|
| Headquarters, National Treasury Building, Cashoffice |  |  | 241,472           | 381,802           |
| <b>TOTAL</b>                                         |  |  | <b>241,472</b>    | <b>381,802</b>    |

**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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**12: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS**

| Description         |  |  | 2021-2022<br>Kshs | 2020-2021<br>Kshs |
|---------------------|--|--|-------------------|-------------------|
| Government imprests |  |  | -                 | -                 |
|                     |  |  |                   |                   |
|                     |  |  |                   |                   |
| <b>TOTAL</b>        |  |  | -                 | -                 |

**13. ACCOUNTS PAYABLE**

| Description    |  |  | 2021-2022<br>Kshs | 2020-2021<br>Kshs |
|----------------|--|--|-------------------|-------------------|
| Deposits       |  |  | 246,757,632       | 172,852,488       |
| Other Payables |  |  |                   |                   |
|                |  |  |                   |                   |
| <b>TOTAL</b>   |  |  | 246,757,632       | 172,852,488       |

**14. FUND BALANCE BROUGHT FORWARD**

| Description                        |  |  | 2021-2022<br>Kshs | 2020-2021<br>Kshs |
|------------------------------------|--|--|-------------------|-------------------|
| Bank accounts                      |  |  | 187,344,483       | 292,629,601       |
| Cash in hand                       |  |  | 381,802           |                   |
| Receivables - Outstanding Imprests |  |  |                   |                   |
| Payables - Deposits                |  |  | (172,852,488)     | (292,610,583)     |
|                                    |  |  |                   |                   |
| <b>TOTAL</b>                       |  |  | 14,873,797        | 19,018            |



**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**15. PRIOR YEAR ADJUSTMENTS**

|                          | Balance b/f                              | Adjustments  | Adjusted Balance b/f |
|--------------------------|------------------------------------------|--------------|----------------------|
|                          | FY 2021/2022 as per Financial statements |              | FY 2020/2021         |
| Description of the error | Kshs                                     | Kshs         | Kshs                 |
| Bank account Balances    | 187,344,483                              | (14,491,995) | 172,852,488          |
| Cash in hand             | 381,802                                  | -            | 381,802              |
| Accounts Payables        | (172,852,488)                            | -            | (172,852,488)        |
| Receivables              | -                                        | -            | -                    |
|                          | 14,873,797                               | (14,491,995) | 381,802              |

**16. CHANGES IN RECEIVABLE**

| Description of the error                                      | 2021-2022 | 2020-2021 |
|---------------------------------------------------------------|-----------|-----------|
|                                                               | Kshs      | Kshs      |
| Opening Accounts Receivables as at 1 <sup>st</sup> July 2021  | -         | -         |
| Closing Accounts Receivables as at 30 <sup>th</sup> June 2022 | -         | -         |
| Change in Accounts Receivables                                | -         | -         |

**17. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

| Description of the error                                   | 2021-2022   | 2020-2021     |
|------------------------------------------------------------|-------------|---------------|
|                                                            | Kshs        | Kshs          |
| Opening Accounts Payables as at 1 <sup>st</sup> July 2021  | 172,852,488 | 292,610,852   |
| Closing Accounts payables as at 30 <sup>th</sup> June 2022 | 246,757,632 | 172,852,488   |
| Change in Accounts payables                                | 73,905,144  | - 119,758,364 |

**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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**17. RELATED PARTY DISCLOSURES**

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the Ministry of Water and Sanitation

- Key management personnel that include the Cabinet Secretaries and Accounting Officers
- Other Ministries Departments and Agencies and Development Projects;
- County Governments; and State Corporations and Semi Autonomous Government Agencies.

**Related party transactions:**

| Description                                 | 2021-2022             | 2020-2021             |
|---------------------------------------------|-----------------------|-----------------------|
|                                             | Kshs                  | Kshs                  |
| <b>Transfers to related parties</b>         |                       |                       |
| Transfers to SCs and SAGAs                  | 61,516,304,273        | 60,947,463,919        |
|                                             |                       |                       |
| <b>Total Transfers to related parties</b>   | <b>61,516,304,273</b> | <b>60,947,463,919</b> |
|                                             |                       |                       |
| <b>Transfers from related parties</b>       |                       |                       |
| Transfers from the Exchequer                | 32,504,141,463        | 39,054,428,760        |
|                                             |                       |                       |
| <b>Total Transfers from related parties</b> | <b>32,504,141,463</b> | <b>39,054,428,760</b> |

**18. OTHER IMPORTANT DISCLOSURES**

**18.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

|              | Balance b/f<br>FY 2020/2021 | Additions for<br>the period | Paid during the<br>year | Balance c/f<br>FY 2021/2022 |
|--------------|-----------------------------|-----------------------------|-------------------------|-----------------------------|
| Description  | Kshs                        | Kshs                        | Kshs                    | Kshs                        |
|              |                             |                             |                         |                             |
| <b>Total</b> | <b>78,530,845</b>           | <b>22,526,042</b>           | <b>(42,559,162)</b>     | <b>58,497,725</b>           |

**18.2: OTHER PENDING PAYABLES (See Annex 3)**

|                              | 2021-2022          | 2020-2021          |
|------------------------------|--------------------|--------------------|
|                              | Kshs               | Kshs               |
| Amounts due to third parties | 246,757,632        | 172,852,488        |
| <b>TOTAL</b>                 | <b>246,757,632</b> | <b>172,852,488</b> |



**19. PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

| <b>Financial Year</b> | <b>Paragraph</b> | <b>Title</b>                                                                            | <b>Recommendation Made</b>                                                                                                                                                                                                                                                                                                                                          | <b>Action Taken</b>                                      |
|-----------------------|------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 2019/2020             | 846.             | Unconfirmed Direct Payments                                                             | The Accounting Officer should always ensure proper records are maintained as required by the Public Finance Management Act, 2012 and availed to the Auditor General during audit as required by Section 9(1) (e) of the Public Audit Act, 2014.                                                                                                                     | Direct payments are confirmed on regularly.              |
|                       | 847              | Variances between Financial Statements and Confirmations from Other Government Agencies | The Accounting Officer should ensure that the entity keeps up-to-date and reconciled financial and accounting records that comply with provisions of Section 68(2) of the PFM Act 2012 and that complete financial and accounting records are presented within three (3) months after the close of the financial year in line with Article 229 of the Constitution. | Reconciliation of financial records is done regularly.   |
|                       | 849              | Inconsistency in Budgeting and Reporting for Projects                                   | The Accounting Officer should always ensure consistent budgeting procedures for similar projects to enable accurate presentation of project information in the Ministry's financial statements.                                                                                                                                                                     | Budgeting is done in liaison with The National Treasury. |
|                       | 851.             | Pending Bills                                                                           | The Committee recommends that within sixty (60) days of adoption of this report, the Accounting Officer should liaise with National                                                                                                                                                                                                                                 | Current pending bills have been partly cleared.          |

**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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| <b>Financial Year</b> | <b>Paragraph</b> | <b>Title</b>                                                        | <b>Recommendation Made</b>                                                                                                                                                                                                                                                          | <b>Action Taken</b>                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------|------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       |                  |                                                                     | Treasury and ensure pending bills verified and found eligible are paid for as first charge in the following financial year in accordance with the PFM Act.                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                           |
|                       | 853.             | Failure to Establish the Water Tribunal                             | Within six (6) months upon adoption of this report, the Accounting Officer to liaise with the Attorney General's Office and expedite the process and provide information to the National Assembly on the progress to address the lacuna in law in constituting the Tribunal         | The Ministry has already proposed amendments to the Water Act 2016 to allow for constitution of Water Tribunal with a Chairman and members for various disciplines (Engineering, Hydrology, Hydrogeology, Water quality and Economist) who are key players in the Water Sector. The amendments have been submitted to the Attorney General's office for further guidance. |
|                       | 854.             | Expired Performance Security for Sagana River Restoration Project   | The Accounting Officer should always ensure that performance bonds are valid during the contract period in accordance with Section 142 of the Public Procurement and Assets Disposal Act, 2015, which requires a contractor to provide performance security for construction works. | The Performance Guarantee for Sagana River Restoration Project was extended and is to expire on 31 <sup>st</sup> December, 2022 (Attached)                                                                                                                                                                                                                                |
|                       | 855              | Delay in Project Implementation due to Delayed Handover of the Site | The Accounting Officer must always ensure that where a project is being implemented on land yet to be acquired, no contracts are entered into until the State Department is certain the land for project implementation will be                                                     | Discussions have been done with the relevant agencies in various meetings towards not awarding contracts where the land for the respective project has not been acquired.                                                                                                                                                                                                 |



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| <b>Financial Year</b> | <b>Paragraph</b> | <b>Title</b>                                                                     | <b>Recommendation Made</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Action Taken</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------|------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       |                  |                                                                                  | availed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                       | 862              | Low Absorption of Funds                                                          | 1) Within three months of adoption of this report, the Accounting Officer should develop measures to ensure the project is completed within new timeline agreed with donor. 2) Within one year of adoption of this report, the Accounting Officer should develop policy to deal with relocation and compensation of project affected persons or communities classified as vulnerable and marginalized to ensure timely implementation of such projects. 8                                               | 1) Project negotiated for additional financing and extension of time which was granted with a new completion date of Jan 2027. 2) The project has successfully relocated Project Affected Persons in both Priority area 1 and 2 according to the provisions on the RAP. The PAPs were assisted to source and purchase relocation land and in the construction of replacement houses to ensure no one was left destitute.                                                                 |
|                       | 863.             | Delayed Implementations of Resettlement Plan for Mwache Multipurpose Dam Project | 1. Within three (3) months of adoption of this report, the Accounting Officer to provide for verification to the Auditor General the status of the amount transferred to the National Land Commission for reporting in the next audit cycle (2021/222). 2. Within three (3) months of adoption of this report, the Accounting Officer to liaise with the National Land Commission to ensure the resettlement plan is implemented promptly to allow completion of the project within new agreed timeline | 1. National Lands Commission (NLC) to provide the status of the amount transferred to them for Mwache Multipurpose Dam Project RAP. 2. The RAP Implementation has been fast tracked through continuous engagement with NLC and this has facilitated the completion of resettlement of the people affected by the project (PAPs) in Priorities areas 1 and 2 and subsequent handover to the contractor to commencement of works which should be completed within the new agreed timeline. |

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| <b>Financial Year</b> | <b>Paragraph</b> | <b>Title</b>                             | <b>Recommendation Made</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Action Taken</b>                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------|------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       | 864.             | Pending Bills                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Resolved                                                                                                                                                                                                                                                                                                                                                                             |
|                       | 865.             | Unrecovered Funds on Terminated Contract | 1) The Committee reprimands the Accounting Officer for failing to ensure valid bank guarantee for advance payment and performance bond were in place and not taking measures to recover the amount on termination of the contract. 2) Within sixty (60) days of adoption of this report, the Accounting Officer to engage the Attorney General's office to institute legal measures to recover an amount of Kshs.27,752,838.73 being the balance of advance payment and penalties due to fundamental breach of contract. | The Legal counsel in the Ministry has instituted legal process towards the recovery of the balance of the advance payment and penalties.                                                                                                                                                                                                                                             |
|                       | 869.             | Funding and Continuity of the Program    | Within three (3) months upon adoption of this report, the Accounting Officer must report to the National Assembly on the current implementation status of the Thwake Multipurpose Water Development Program Phase I. The report should entail revised project work plan and budget giving details of the project end and closure dates                                                                                                                                                                                   | The Ministry is currently implementing Phase 1 of the Thwake Multipurpose Water Development Program. The payments as at 30 <sup>th</sup> June 2022 is Ksh 30.08 billion with dam construction work currently at 71%. Phases II, III and IV are estimated to cost approx. USD 573.3 million. The Ministry submitted a request for financing of these phases to the National Treasury. |
|                       | 870.             | Water Pollution in Athi River            | Within three (3) months upon adoption of this report, the Accounting Officer must report to the National                                                                                                                                                                                                                                                                                                                                                                                                                 | The Ministry has established Inter-Agency Technical Committee (IATC)                                                                                                                                                                                                                                                                                                                 |



**MINISTRY OF WATER, SANITATION AND IRRIGATION**

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| <b>Financial Year</b> | <b>Paragraph</b> | <b>Title</b>                         | <b>Recommendation Made</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Action Taken</b>                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------|------------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       |                  |                                      | Assembly on the current implementation status of the Thwake MultiPurpose Water Development Program Phase I. The report should include measures taken to ensure pollution to water sources for the dam is mitigated and sustainability of services guaranteed.                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                       | 872.             | Contract Variation on Motor Vehicles | 1) The Committee reprimands the Accounting Officer for failing to avail the evidence that the changes in specifications were dully approved and an explanation on why the specifications were not included in the tender documents at the bidding stag 2) Within sixty (60) days upon adoption of this report, the Accounting Officer to provide appropriate documentation to prove that the changes in specifications were dully approved justify why the specifications were not included in the tender documents to the Auditor General for further verification. | The variation in the cost of vehicles arose as a result of an upgrade from Toyota Land Cruisers to Toyota Prados so as to meet employers' requirements but within the drawn specifications. The procurement of motor vehicles was a bill item in the overall contract between the Ministry and the contractor that was procured s by the contractor using its procedure. Documentations will be given to the Auditor. |
|                       | 877              | .Long Outstanding Advance            | Accounting Officers must at all times ensure that they take appropriate measures to resolve any issues arising from audit which may remain outstanding pursuant to the provisions of section 68(2)(l) of the Public Finance Management Act, 2012. 2) The Accounting Officer should ensure that pending bills in any financial year are avoided at all cost. Where pending bills                                                                                                                                                                                      | The Accounting Officer is awaiting budget provisions to refund the funds to the Programme.                                                                                                                                                                                                                                                                                                                            |

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| <b>Financial Year</b> | <b>Paragraph</b> | <b>Title</b>                                                  | <b>Recommendation Made</b>                                                                                                                                                                                                                                                            | <b>Action Taken</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------|------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       |                  |                                                               | are unavoidable they should form the first charge in the budget of the subsequent year                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                       | 883.             | Unutilized Funds Transferred to the National Lands Commission | Within sixty (60) days upon adoption of this report, the Accounting Officer to provide supporting documents (payment schedules for requisition of funds by National Land Commission) to the Auditor General for verification and reporting in the financial year 2021/22 audit cycle. | The works contract had been signed and the contractor was already on site. There was therefore urgent need to avail the land for the works and avoid huge claims, but the compensation process was hampered by poor land records, disputes and succession issues. The funds amounting to Kshs. 500M and Kshs. 150M in the project account were therefore transferred to the National Lands Commission account pending completion of the compensation processes that would yield to Payment Schedules for requisition of funds by National Land Commission to the Ministry. These funds were later captured in statements shared by the National Lands Commission |
|                       | 884.             | Interest on Delayed Payments to Contractors                   | 1) The Committee reprimands the Accounting Officer for failing to ensure payments are done promptly to avoid unnecessary costs of Kshs. 41,259,407 on account of interest on delayed payments due 2)                                                                                  | The Ministry has since restructured the payment processes by condensing the time taken for approvals and is striving to ensure that payments is                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



**MINISTRY OF WATER, SANITATION AND IRRIGATION**

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| <b>Financial Year</b> | <b>Paragraph</b> | <b>Title</b>                                      | <b>Recommendation Made</b>                                                                                                                                                                                                                                                                                                                                                   | <b>Action Taken</b>                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------|------------------|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       |                  |                                                   | The Accounting Officer to always ensure legitimate bills are paid on time to avoid unnecessary costs on account of interest on delayed payments due.                                                                                                                                                                                                                         | done within the period stipulated in the contract and minimize the interest charges.                                                                                                                                                                                                                                                                                                              |
|                       | 885.             | Irregular Engagement of Project Consultant        | Within sixty (60) days of adoption of this report, the Accounting Officer to provide to the Auditor General evidence of payments to the Director of Pension for further verification.                                                                                                                                                                                        | Evidence for payment to the Director of pensions available for auditors review and verification.                                                                                                                                                                                                                                                                                                  |
|                       | 886.             | Delayed Compensation of Project Affected Persons  | Within three (3) months upon adoption of this report, the Accounting Officer must report to the National Assembly on the current status of acquisition of land for Lower Nzoia Irrigation Project. The report should entail details of all Project Affected Persons, the acreage of land acquired and the actual amounts to be paid as compensation for each by contractors. | The Ministry has streamlined the compensation process by procuring consultancy services for surveying, legal succession matters as well as social workers and the combined team has achieved enhancement in land and Project Affected Persons records and at the same time following up with National Lands Commission to speed up compensation payments and to open up access to the Contractor. |
|                       | 888,             | Non-Review of Contract Terms Upon Scope Reduction | Within sixty (60) days of adoption of this report, the Accounting Officer to present to the Auditor General the itemized bill indicating basis of billing by the consultant on the 67% billed for reporting in the next audit cycle (2021/22).                                                                                                                               | The itemized bill is available for audit review and will be reported in the next audit cycle.                                                                                                                                                                                                                                                                                                     |
|                       | 889.             | Delayed                                           | 1) Within three months of                                                                                                                                                                                                                                                                                                                                                    | The drilling and                                                                                                                                                                                                                                                                                                                                                                                  |

**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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| <b>Financial Year</b> | <b>Paragraph</b> | <b>Title</b>                                                                                   | <b>Recommendation Made</b>                                                                                                                                                                                                                                                                                                     | <b>Action Taken</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------|------------------|------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       |                  | Completion of Works on Installation and Commissioning of Ground Water Monitoring Wells Project | adoption of this report, the Accounting Officer to take measures to ensure the project is completed and avail works completion certificates to the Auditor General for verification. 2) The Accounting Officer to always ensure projects are well planned and due diligence carried out to enable their timely implementation. | <p>construction of the monitoring wells is quite different from the normal production wells. The monitoring wells require specific construction and installations including sealing, data capture during drilling and well completion.</p> <p>Lot 1. Works are completed and a completion certificate issued to the Contractor, Export-Hydro and Services (Africa) Limited.</p> <p>Lot 2. Contract with non-performing Contractor terminated and a new contract is under procurement as at 31st July 2022.</p> <p>Lot 3. Works are completed and a completion certificate issued to the Contractor, Export-Hydro and Services (Africa) Limited.</p> <p>Lot 4. Contract with non-performing Contractor terminated and a new contract is under procurement as at 31st July 2022.</p> <p>Lot 5. Contract with non-performing Contractor</p> |



**MINISTRY OF WATER, SANITATION AND IRRIGATION**

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| <b>Financial Year</b> | <b>Paragraph</b> | <b>Title</b>                                   | <b>Recommendation Made</b>                                                                                                                                                                                                                                                                                                                                                                             | <b>Action Taken</b>                                                                                                                                                                                                                                                                                         |
|-----------------------|------------------|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       |                  |                                                |                                                                                                                                                                                                                                                                                                                                                                                                        | terminated and a new contract is under procurement as at 31st July 2022.                                                                                                                                                                                                                                    |
|                       | 890              | Project not Subjected to Internal Audit Review | 1) The Committee cautions the Accounting Officer for failure to present required information for review by the Auditor General; and 2) The Accounting Officer should, within sixty(60) days of adoption of this report, present to the Auditor General for review evidence that the project was being reviewed by internal audit and recommendations made on internal control implemented.             | The internal audit was carried out the following financial year 2020/2021. The Ministry will ensure the report is reviewed by the Auditor General.                                                                                                                                                          |
|                       | 891              | Inconsistent Project implementation Activity   | Within three (3) months upon adoption of this report, the Accounting Officer must report to the National Assembly on the current implementation status of the Kenya Water Security and Climate Resilience Project for improvement works of water services in Likoni, Mombasa County. The report should entail revised project work plan and budget giving details of the project end and closure date. | The improvement works for water services in Likoni, Mombasa County works were completed and handed over to MOWASSCO. The full capacity for the new system will be realized gradually based on increased water production from the bulk water systems under implementation including the Mwache Dam Project. |
|                       | 894              | Budgetary Control and Performance              | Within three months of adoption of this report, the Accounting Officer to report to the National Assembly on measures taken to ensure the project progress is expedited to ensure goals are met and                                                                                                                                                                                                    | Measures put in place:<br><br>Timely submission and review of statement of expenditure.                                                                                                                                                                                                                     |

**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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| <b>Financial Year</b> | <b>Paragraph</b> | <b>Title</b>                  | <b>Recommendation Made</b>                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Action Taken</b>                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------|------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       |                  |                               | project completed to enhance service delivery.                                                                                                                                                                                                                                                                                                                                                                                | <p>Follow up on timely approval and processing of disbursement requests from both the World Bank and the National Treasury.</p> <p>Training on preparation of Statement of Expenditure and expenditure supporting documents.</p> <p>Bi-weekly project progress review meetings to review on physical progress and unlock implementation challenges.</p> <p>Quarterly physical Monitoring and Evaluation of the projects.</p> |
|                       | 895              | Delayed Commencement of Works | Within three months of adoption of this report, the Cabinet Secretary for Water and Sanitation to reprimand in writing, the Accounting Officer-MOWASCO for contracting and paying advance payment of Kshs.217,337,324 for the three contracts between 5 March, 2020 and 17 March 2020 without having procured supervising consultant resulting in the contractors holding public funds over twelve months without mobilizing. | A reprimand letter to be issued to the Accounting Officer Mombasa Water and Sewerage Company Limited (MOWASCO).                                                                                                                                                                                                                                                                                                              |



**MINISTRY OF WATER, SANITATION AND IRRIGATION**

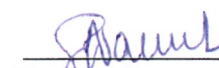
**Annual Report and Financial Statements for the year ended 30th June 2022**

| <b>Financial Year</b> | <b>Paragraph</b> | <b>Title</b>                               | <b>Recommendation Made</b>                                                                                                                                                                                                                                            | <b>Action Taken</b>                                                                                                                                                                                                                                                                                                          |
|-----------------------|------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       | 899              | Excess Funds Drawn by the Project          | The Accounting Officer should within sixty (60) days of adoption of this report, submit to the National Assembly and the Auditor General a report on the Excess Funds Drawn by the Project for verification and reporting in the next audit cycle ( 2021/22)          | The excess funds drawn by the project is as a result of foreign currency conversion rate. The exchange rate at the time of contract signing and at the reporting time varied.<br>The report will be submitted to Auditor General and National Assembly.                                                                      |
|                       | 900              | Long Over Due and Inaccurate Pending Bills | The Accounting Officer should within sixty (60) days of adoption of this report, submit to the National Assembly and the Auditor General a report on the Long Over Due and Inaccurate Pending Bills for verification and reporting in the next audit cycle ( 2021/22) | The increase in pending bills is attributed to the interest charged on overdue pending bills as a result of budget cuts and contractual claims for idle machinery levied by the contractor as per clause 3.5, 14.8 & 20.1 of the contract agreement. This will be communicated to Auditor General and the National Assembly. |



Principal Secretary

Name: Dr. Kipronoh Ronoh P.



Deputy Accountant General

Name: Agnes W. Waweru

ICPAK Member Number: 5514

**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

| SUPPLIER OF GOODS/SERVICES                                                                                                                                   | ORIGINAL AMOUNT | DATE CONTRACTED | AMOUNT PAID | OUTSTANDING BALANCE  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-------------|----------------------|
|                                                                                                                                                              |                 |                 | TO DATE     | AS AT 30TH JUNE 2021 |
| Vincent Alukhula Malika-vs the AG (Civil Suit No. 290 of 2012, Kakamega)                                                                                     | 1,812,855       | 2017/2018       | 0           | 1,812,855            |
| Sarah Pensular Muyekane -vs-the AG (Vihiga SPMCC No.14 of 2011) ag/gcmenr/375/11 DATED 23RD November, 2016                                                   | 1,009,713       | 2016/2017       | 0           | 1,009,713            |
| Ahmed Abubakar Hassan (Kisumu HCC No. 14 of 2002) AG/GC/MENWNR/62/5/06 TED 28th January, 2015)                                                               | 2,440,916       | 2014/2015       | 0           | 2,440,916            |
| Charles Muchira tamba (Kakamega HCC No. 13 of 2014) AG/WATER/97/2015 dated 13th September, 2014                                                              | 2,422,103       | 2014/2015       | 0           | 2,422,103            |
| Wycliff Madara - vs- Pascal Okumu & Attorney General ( Busia PMCC no. 88 of 2006) AG/GC/MWD/8/06 dated 1st November, 2013                                    | 321,000         | 2013/2014       | 0           | 321,000              |
| John Chomba T/A Range Merchants - vs-the Hon. Attorney General (Milimani CMCC 1063 of 2018 (formerly HCC 1323/2001 AG/CAR/MENR/27/01 dated 26th August, 2019 | 29,809,968      | 2019/2020       | 0           | 29,809,968           |
| Eliud Nduguto-vs-the Hon. Attorney General (Kerugoya SPMCC NO. 89 of 2008) AG/GC/MWD/1/08 dated 19th February, 2020                                          | 522,021         | 2019/2020       | 0           | 522,021              |



**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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|                                                                                                      |              |           |   |                   |
|------------------------------------------------------------------------------------------------------|--------------|-----------|---|-------------------|
| Zingo Investments Ltd -vs Attorney General & Another (Nairobi CMCC No. 4163 of 2011 AG/GC/NLS/296/11 | 381,680      | 2011/2012 | 0 | 381,680           |
| Jacinta WaringuKaranu Nairobi HCC No.5365 of 2004 AG/MENR/57/01 dated 15 <sup>th</sup> April, 2014   | 3,748,573    | 2013/2014 | 0 | 3,748,573         |
| M/S Evolve Media Limited                                                                             | 2,940,000    | 2021/2022 | 0 | 2,940,000         |
| M/S Akammema Suppliers Enterprise                                                                    | 2,082,690    | 2021/2022 | 0 | 2,082,690         |
| M/S Tuanze                                                                                           | 91,980       | 2021/2022 | 0 | 91,980            |
| M/S Parwen Contractors Limited                                                                       | 2,143,000    | 2021/2022 | 0 | 2,143,000         |
| M/S Evolve Media Limited                                                                             | 210,000      | 2021/2022 | 0 | 210,000           |
| M/S Shabby General Supplies                                                                          | 390,000      | 2021/2022 | 0 | 390,000           |
| M/S Angani Tours And Travel                                                                          | 939,195      | 2021/2022 | 0 | 939,195           |
| M/S Lul Enterprises                                                                                  | 2,730,000    | 2021/2022 | 0 | 2,730,000         |
| M/S Swispring Ventures                                                                               | 1,180,500    | 2021/2022 | 0 | 1,180,500         |
| M/S Techben Autospares And Garage                                                                    | 1,651,000    | 2021/2022 | 0 | 1,651,000         |
| M/S Ciscar Enterprises P.O Box 23649 – 00100 Nairobi                                                 | 391,000      | 2021/2022 | 0 | 391,000           |
| M/S Tradecraft Investment Limited P.O Box 29067 Nairobi                                              | 1,865,000    | 2021/2022 | 0 | 1,865,000         |
| Government Advertising Agency                                                                        | 1,181,893.25 | 2021/2022 | 0 | 1,181,893         |
| Government Advertising Agency                                                                        | 547,316      | 2021/2022 | 0 | 547,316           |
| Mugama Traders                                                                                       | 800,000      | 2021/2022 | 0 | 800,000           |
| Panari Hotel                                                                                         | 170,000      | 2021/2022 | 0 | 170,000           |
| Depacom Setrvices                                                                                    | 380,000      | 2021/2022 | 0 | 380,000           |
| Bedrock Security Ltd                                                                                 | 944,156      | 2021/2022 | 0 | 944,156           |
| Bedrock Security Ltd                                                                                 | 944,157      | 2021/2023 | 1 | 944,156           |
| Bedrock Security Ltd                                                                                 | 944,156      | 2021/2022 | 0 | 944,156           |
| <b>TOTAL</b>                                                                                         |              |           |   | <b>64,994,871</b> |

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**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

| <b>Asset class</b>            | <b>Historical Cost<br/>b/f<br/>(Kshs)<br/>2020/2021</b> | <b>Additions during<br/>the year<br/>(Kshs)</b> | <b>Disposals during<br/>the year<br/>(Kshs)</b> | <b>Transfers in/(out)<br/>during the year</b> | <b>Historical Cost c/f<br/>(Kshs)<br/>2021/2022</b> |
|-------------------------------|---------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-----------------------------------------------|-----------------------------------------------------|
| Buildings and structures      | 16,699,937,285                                          | 925,308,830                                     |                                                 |                                               | 17,625,246,115                                      |
| Transport equipment           | 566,270                                                 | 89,600                                          |                                                 |                                               | 655,870                                             |
| Other Machinery and Equipment | 2,845,700                                               | -                                               |                                                 |                                               | 2,845,700                                           |
| <b>Total</b>                  | <b>16,703,349,255</b>                                   | <b>925,398,430</b>                              |                                                 |                                               | <b>17,628,747,685</b>                               |



**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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**ANNEX 3-OTHER PENDING PAYABLES**

| <b>ACCOUNTS PAYABLE</b> |                               |               |
|-------------------------|-------------------------------|---------------|
| <b>DATE</b>             | <b>FROM WHOM RECEIVED</b>     | <b>AMOUNT</b> |
| 12/9/2019               | DIDO AND SONS                 | 617,712       |
| 12/9/2019               | CHAKOPENKA                    | 1,800,100     |
| 12/9/2019               | DIDO AND SONS                 | 1,592,366     |
| 12/9/2019               | MACHINE CENTRE                | 3,190,765     |
| 12/9/2019               | POWER AND SOLARGROUP          | 1,823,264     |
| 12/9/2019               | KARURA ENGINEERING            | 469,075       |
| 12/9/2019               | KARURA ENGINEERING            | 400,000       |
| 12/9/2019               | MACHINE CENTRE                | 1,421,240     |
| 12/9/2019               | MACHINE CENTRE                | 2,838,796     |
| 12/9/2019               | TRILLION PROJECT              | 541,150       |
| 12/9/2019               | TUTI HOLDINGS                 | 704,300       |
| 12/9/2019               | FARJNO CONSTRUCTION           | 768,000       |
| 12/9/2019               | ACE PAPERS                    | 787,610       |
| 12/9/2019               | LORIS CONSTRUCTION            | 827,100       |
| 12/9/2019               | GAREFET LIMITED               | 854,114       |
| 12/9/2019               | SADASA LIMITED                | 922,442       |
| 16/9/2020               | NAWAL GENERAL COMPANY LIMITED | 933,523       |
| 16/9/2020               | AMAROLE CIVIL COMPANY         | 956,400       |
| 16/9/2020               | SANGOLE CONSTRUCTION          | 965,861       |
| 16/9/2020               | EASSY TIME LIMITED            | 1,023,750     |
| 16/9/2020               | POWER AND SOLAR GROUP         | 1,084,465     |
| 16/9/2020               | LIBAN SUPPLIES                | 1,089,790     |

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|           |                          |           |
|-----------|--------------------------|-----------|
| 16/9/2020 | HIFORCE HYDROLIC         | 1,119,947 |
| 16/9/2020 | OCEANIC CONSTRUCTION     | 1,121,140 |
| 16/9/2020 | METCO INVESTMENT         | 1,128,755 |
| 16/9/2020 | FENCE AGENCIES LIMITED   | 1,151,750 |
| 16/9/2020 | ENOGI LIMITED            | 1,184,764 |
| 16/9/2020 | POWER AND SOLAR GROUP    | 1,212,097 |
| 16/9/2020 | MONO BUILDERS            | 1,261,550 |
| 16/9/2020 | AMAROLE CIVIL COMPANY    | 1,327,005 |
| 16/9/2020 | MILISILEEN MERCHANTS     | 1,355,366 |
| 16/9/2020 | RHINO TECHNOLOGY         | 1,388,426 |
| 16/9/2020 | EL ADAI CONSTRUCTION     | 1,397,136 |
| 16/9/2020 | CHAKOPENKA               | 1,430,125 |
| 16/9/2020 | AL-BANA COMPANY          | 1,352,352 |
| 16/9/2020 | JOYCOF GENERAL SUPPLIERS | 2,442,969 |
| 16/9/2020 | BENMA TECHNICAL          | 2,313,979 |
| 16/9/2020 | GEOCAST AGENCIES         | 1,064,057 |
| 16/9/2020 | ALFEMO INVESTMENTS       | 1,343,524 |
| 16/9/2020 | MAALYEEL HOLDINGS        | 1,794,520 |
| 16/9/2020 | KAHIN CONSTRUCTION       | 293,909   |
| 16/9/2020 | BIYO AFRICA              | 165,440   |
| 16/9/2020 | MASTEERED SEED TECH      | 160,100   |
| 16/9/2020 | MAKS LIMITED             | 209,260   |
| 16/9/2020 | TRILLION PROJECT         | 308,984   |
| 16/9/2020 | UNIQUE OFFERS            | 874,619   |
| 16/9/2020 | AQUA PRO LIMITED         | 2,043,379 |
| 16/9/2020 | MASHIN                   | 244,680   |
| 16/9/2020 | GEOSCOPE INTERNATIONAL   | 266,933   |
| 16/9/2020 | MZEEU INVESTMENT         | 762,660   |



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|           |                       |           |
|-----------|-----------------------|-----------|
| 16/9/2020 | LIBAN SUPPLIES        | 1,200,954 |
| 16/9/2020 | BENMA TECHNICAL       | 1,382,725 |
| 16/9/2020 | MAALYEEL HOLDINGS     | 970,769   |
| 16/9/2020 | DIDO AND SONS         | 508,894   |
| 16/9/2020 | KAHIN CONSTRUCTION    | 569,561   |
| 16/9/2020 | DIDO AND SONS         | 426,059   |
| 16/9/2020 | RHINO TECHNOLOGY      | 2,282,492 |
| 16/9/2020 | SANGOLE CONSTRUCTION  | 335,495   |
| 16/9/2020 | PIT-BULL AGENCIES     | 666,980   |
| 16/9/2020 | EXPORT HYDROPUMP      | 134,862   |
| 16/9/2020 | KABON BUILDING        | 2,065,218 |
| 16/9/2020 | RAKEN LIMITED         | 976,257   |
| 16/9/2020 | NORTHLINK INVESTMENT  | 1,573,102 |
| 16/9/2020 | DRILL WELL LIMITED    | 534,265   |
| 16/9/2020 | KANANACHU CONTRACTORS | 125,630   |
| 16/9/2020 | NYORORO HARDWARE      | 632,784   |
| 16/9/2020 | GRAVE CONSTRUCTION    | 1,251,478 |
| 16/9/2020 | COCY HOLDINGS         | 1,259,592 |
| 16/9/2020 | SASAWA CONSTRUCTION   | 797,045   |
| 16/9/2020 | MAKARATASI LIMITED    | 973,161   |
| 16/9/2020 | PROPERTY WORLD        | 621,342   |
| 16/9/2020 | MAGIC TOUCH           | 802,190   |
| 16/9/2020 | DIESEL AND ALLIED     | 831,696   |
| 16/9/2020 | BASLUM HARDWARE       | 1,253,000 |
| 16/9/2020 | REER AKIM             | 1,945,969 |
| 16/9/2020 | DRESSCOL LIMITED      | 913,700   |
| 16/9/2020 | KIMBISA AGENCIES      | 936,524   |
| 16/9/2020 | BILCOM SOLUTIONS      | 333,484   |

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|           |                         |           |
|-----------|-------------------------|-----------|
| 16/9/2020 | PARK COMPANY LIMITED    | 348,970   |
| 16/9/2020 | ZIYALE INVESTMENTS      | 470,730   |
| 16/9/2020 | ZIYALE INVESTMENTS      | 514,090   |
| 16/9/2020 | LORIS CONSTRUCTION      | 525,310   |
| 16/9/2020 | WORLD LINK CONSTRUCTION | 608,830   |
| 16/9/2020 | TUTI HOLDINGS           | 645,181   |
| 16/9/2020 | PROPERTY WORLD          | 784,136   |
| 16/9/2020 | MANAL CONSTRUCTION      | 833,318   |
| 16/9/2020 | DEBEE CONSTRUCTION      | 987,549   |
| 16/9/2020 | EASSY TIME LIMITED      | 357,659   |
| 16/9/2020 | SADASA LIMITED          | 206,610   |
| 16/9/2020 | RIANG SERVICES          | 962,264   |
| 16/9/2020 | TRILLION PROJECT        | 1,012,345 |
| 16/9/2020 | MARCANN CONSTRUCTION    | 826,642   |
| 16/9/2020 | NESTLES SOLUTION        | 720,131   |
| 16/9/2020 | LIBAN SUPPLIES          | 101,835   |
| 16/9/2020 | QUARD TRADERS           | 426,860   |
| 16/9/2020 | MANAL CONSTRUCTION      | 404,518   |
| 16/9/2020 | AMAROLE CIVIL COMPANY   | 259,631   |
| 16/9/2020 | WASO BUILDING           | 112,334   |
| 16/9/2020 | RANGIKO CONSTRUCTION    | 474,668   |
| 16/9/2020 | PARK COMPANY LIMITED    | 460,300   |
| 16/9/2020 | BUILD CONCEPTS GROUP    | 1,556,877 |
| 16/9/2020 | ZEPPELIN ENGINEERING    | 965,178   |
| 16/9/2020 | INSIGHT LOGISTICS LTD   | 703,920   |
| 16/9/2020 | MARCANN CONSTRUCTION    | 147,362   |
| 16/9/2020 | DUBLEE CONSTRUCTION     | 259,567   |
| 16/9/2020 | SEAN CONSTRUCTION       | 443,542   |



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|            |                                  |           |
|------------|----------------------------------|-----------|
| 16/9/2020  | AMA SAGIRINI                     | 1,178,583 |
| 16/9/2020  | GLACO HOLDINGS LIMITED           | 346,760   |
| 16/9/2020  | GLACO HOLDINGS LIMITED           | 341,160   |
| 16/9/2020  | RHINO TECHNOLOGY                 | 656,529   |
| 16/9/2020  | MORTACOL INTERNATIONAL           | 282,405   |
| 16/9/2020  | MADEY INVESTMENT                 | 817,756   |
| 16/9/2020  | RHINO TECHNOLOGY                 | 653,569   |
| 16/9/2020  | RHINO TECHNOLOGY                 | 670,910   |
| 16/9/2020  | NAWAL GENERAL COMPANY LIMITED    | 503,553   |
| 16/9/2020  | BAINRIDGE HOLDING                | 517,855   |
| 16/9/2020  | BAINRIDGE HOLDING                | 733,950   |
| 16/9/2020  | PROPERTY WORLD                   | 1,917,528 |
| 19/10/2020 | MAKS LIMITED                     | 503,680   |
| 19/10/2020 | RHINO GROUPS                     | 652,521   |
| 19/10/2020 | FARJNO CONSTRUCTION              | 523,695   |
| 19/10/2020 | TATE CENTRE SUPPLIES             | 423,515   |
| 19/10/2020 | ROKS TRADING                     | 894,980   |
| 19/10/2020 | LAFEY CONSTRUCTION               | 101,199   |
| 19/10/2020 | TULA GENERAL                     | 979,090   |
| 19/10/2020 | NORTHER SERVICES COMPANY LIMITED | 93,211    |
| 19/10/2020 | PIONEER ENGINEERING              | 815,039   |
| 19/10/2020 | PROPERTY WORLD                   | 2,130,393 |
| 19/10/2020 | LAKE VICTORIA SOUTH W.B          | 100,000   |
| 19/10/2020 | RIFT VALLEY SOUTH W.B            | 100,000   |
| 19/10/2020 | TANATHI SOUTH W.B                | 100,000   |
| 19/10/2020 | BENJAMIN MUSYOKA                 | 10,571    |
| 19/10/2020 | MACHINE                          | 7,548,846 |
| 19/10/2020 | SINHYDRO CORPORATION (RETENTION) | 7,207,686 |

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|             |                                            |            |
|-------------|--------------------------------------------|------------|
| 17/11/2020  | TANGA ENTERPRISES LTD                      | 495,470    |
| 17/11/2020  | TANGA ENTERPRISES LTD                      | 499,350    |
| 17/11/2020  | MASTEERED SEED TECH                        | 414,430    |
| 17/11/2020  | RETENTION SINHYDRO                         | 4,564,936  |
| 17/11/2020  | RETENTION BARGROVE                         | 215,503    |
| 17/11/2020  | RETENTIONSPINNERS                          | 1,276,147  |
| 17/11/2020  | RETENTION SINHYDRO                         | 6,341,822  |
| 17/11/2020  | RETENTION PROPERTY WORLD                   | 9,407,975  |
| 17/11/2020  | PS MW/SI RETENTION (NYAMACHO CONSTRUCTION) | 1,431,370  |
| 17/11/2020  | PS MW/SI RETENTION (SYNHYDRO)              | 11,187,332 |
| 17/11/2020  | PS MW/SI SINHYDRO                          | 8,020,369  |
| 17/11/2020  | PS MW/SI LAFFEY                            | 3,322,549  |
| 17/11/2020  | PS MW/SI PROPERTY WORLD                    | 9,961,560  |
| 17/11/2020  | PS MW/SI GAMACHU CONSTRUCTION              | 1,022,298  |
| 28/02/2021  | PS MWEI SAFEWAYS ENTERPRISE                | 566,683    |
| 28/02/2021  | PS MW/SI WAGTECH AFRICA                    | 1,108,613  |
| 28/02/2021  | PS MW/SI SINHYDRO                          | 8,708,109  |
| 28/02/2021  | PS MW/SI SINHYDRO                          | 12,076,559 |
| 28/02/2021  | PS MW/SI REGIONAL VENTURES                 | 581,370    |
| 28/02/2021  | PS MW/SI PROPERTY WORLD                    | 5,031,998  |
| 28/02/2021  | PS MW/SI BROWN BUILT ENGINEERING           | 6,539,046  |
| 28/02/2022  | PS MW/SI TECH WORLD AFRICA                 | 5,586,416  |
| 06/010/2021 | LAFEY CONSTRUCTION                         | 5,618,229  |
| 20/06/2022  | QUARTORSE LTD                              | 2,011,300  |
| 20/06/2022  | PEKAR INVESTMENT                           | 940,692    |
| 20/06/2022  | FROLIN AGENCIES                            | 263,420    |
| 20/06/2022  | PATIENCE SERVICES LTD                      | 267,540    |
| 30/06/2022  | QUARTORSE LTD                              | 2,616,725  |



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|              |                               |                    |
|--------------|-------------------------------|--------------------|
| 30/06/2022   | QUARTORSE LTD                 | 3,462,384          |
| 30/06/2022   | MS VEKEM AGENCIES             | 489,696            |
| 30/06/2022   | MS REGOLMA LTD                | 495,274            |
| 30/06/2022   | BLUE EAGLE                    | 498,742            |
| 30/06/2022   | QUETECH TECHNICAL INVESTMENTS | 499,102            |
| 30/06/2022   | QUARTORSE LTD                 | 1,451,565          |
| 30/06/2022   | BLUE EAGLE                    | 221,250            |
| <b>TOTAL</b> |                               | <b>246,757,632</b> |

**MINISTRY OF WATER, SANITATION AND IRRIGATION**  
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**ANNEX 4 – LIST OF PROJECTS IMPLEMENTED BY THE MINISTRY OF WATER AND SANITATION**

| <b>1</b>  | KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT | Water Security                             | PROJECT MANAGER | NO |  |
|-----------|-----------------------------------------------------|--------------------------------------------|-----------------|----|--|
| <b>2</b>  | UPPER TANA NATURAL RESOURCES MANAGEMENT PROJECT     | Natural resource management                | PROJECT MANAGER | NO |  |
| <b>3.</b> | COAST REGION WATER SECURITY AND CLIMATE RESILIENCE  | Dam Construction                           | PROJECT MANAGER | NO |  |
| <b>4</b>  | THWAKE MULTIPURPOSE PROJECT                         | Dam Construction                           | PROJECT MANAGER | NO |  |
| <b>5.</b> | WATER AND SANITATION DEVELOPMENT PROJECT (WSDP)     | Improvement of Water Supply and Sanitation | PROJECT MANAGER | NO |  |



# MINISTRY OF WATER, SANITATION AND IRRIGATION

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## ANNEX 4 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE MINISTRY OF WATER AND SANITATION

| Ref | SC, SAGA or Public Fund's name                               | Principal activity of entity | Accounting Officer | Amount transferred during the year | Inter-entity reconciliations done? (yes/no) |
|-----|--------------------------------------------------------------|------------------------------|--------------------|------------------------------------|---------------------------------------------|
| 1   | Lake Victoria South Water Works Development Agency           |                              | CEO                | 1,682,681,742                      | YES                                         |
| 2   | Tanathi Water Works Development Agency                       |                              | CEO                | 1,098,616,958                      | YES                                         |
| 3   | Water Resource Authority                                     |                              | CEO                | 612,000,000                        | YES                                         |
| 4   | Athi Water Works Development Agency                          |                              | CEO                | 16,480,844,528                     | YES                                         |
| 5   | Northern Water Works Development Agency                      |                              | CEO                | 1,206,385,000                      | YES                                         |
| 6   | Central Rift Valley Water Works Development Agency           |                              | CEO                | 3,738,730,805                      | YES                                         |
| 7   | Water Sector Trust Fund                                      |                              | CEO                | 902,415,354                        | YES                                         |
| 8   | North Rift valley Water Works Development Agency             |                              | CEO                | 229,740,900                        | YES                                         |
| 9   | Upper Tana Catchment Natural Resources Management Project    |                              | PROJECT MANAGER    | 797,656,930                        | YES                                         |
| 10  | Kenya Water Security and Climate Resilience Project          |                              | CEO                | 2,308,047,166                      | YES                                         |
| 11  | Kenya Water Institute                                        |                              | CEO                | 243,000,000                        | YES                                         |
| 12  | National Irrigation Authority                                |                              | CEO                | 11,109,783,522                     | YES                                         |
| 13  | Coast Water Works Development Agency                         |                              | CEO                | 2,149,838,304                      | YES                                         |
| 14  | Tana Water Works Development Agency                          |                              | CEO                | 2,916,720,262                      | YES                                         |
| 15  | National Water Harvesting and Storage Authority              |                              | CEO                | 1,930,500,000                      | YES                                         |
| 16  | Lake Victoria North Water Works Development Agency           |                              | CEO                | 361,237,000                        | YES                                         |
| 17  | Regional Centre on Ground Water Resource Education           |                              | CEO                | 62,999,996                         | YES                                         |
| 18  | Coastal Region Water Security and Climate Resilience Project |                              | PROJECT MANAGER    | 1,116,715,305                      | YES                                         |
| 19  | Thwke Multipurpose Water Development Programme               |                              | PROJECT MANAGER    | 6,812,643,274                      | YES                                         |
| 20  | Water and Sanitation Development Project                     |                              | PROJECT MANAGER    | 2,951,893,790                      | YES                                         |
| 21  | Hydrologist Registration Board                               |                              | PROJECT MANAGER    | 15,000,000                         | YES                                         |

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**ANNEX 5- LIST OF BANK ACCOUNTS**

| ENTITY                                                  | BANK   | BRANCH         | A/C NUMBER    |
|---------------------------------------------------------|--------|----------------|---------------|
| Ministry of Water and Sanitation -Recurrent             | CBK    | Haille Selasie | 1000456997    |
| Ministry of Water and Sanitation –Development           | CBK    | Haille Selasie | 1000457007    |
| Ministry of Water and Sanitation -Deposit               | CBK    | Haille Selasie | 1000457015    |
| Coast Region Water Security and Climate Resilience      | CBK    | Haille Selasie | 1000457217    |
| Water Sector Development Project (WSDP)                 | CBK    | Haille Selasie | 1000457201    |
| Kenya Water Security and Climate Resilience Project     | NCBA   | KMA            | 1000591738    |
| Upper Tana Natural Resources Management Project-IFAD    | CO-OP  | Embu           | 0114140809700 |
| Upper Tana Natural Resources Management Project-SPANISH | CO-OP  | Embu           | 0114140809800 |
| Thwake Multipurpose Project                             | EQUITY | Kitui          | 0720262733899 |



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**ANNEX 6-REPORTS GENERATED FROM IFMIS**

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes