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**REPORT**

THE NATIONAL ASSEMBLY PARLIAMENT	
DATE: 17 FEB 2022	DAY: Thurs
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Clerk	C-nditu

**OF**

**THE AUDITOR-GENERAL**

**ON**

**KENYA TOWNS SUSTAINABLE WATER  
SUPPLY AND SANITATION PROGRAM  
(LOAN NO.2000200000501)**

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

**ATHI WATER WORKS DEVELOPMENT  
AGENCY**



**Project Name:**  
Kenya Towns Sustainable Water Supply and Sanitation Program

**Implementing Entity:**  
Athi Water Works Development Agency

**PROJECT NUMBER:** P-KE-E00-011

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

**Kenya Towns Sustainable Water Supply and Sanitation Program**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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**1. PROJECT INFORMATION AND OVERALL PERFORMANCE**

**1.1 Name and registered office**

**Name:** The project's official name is Kenya Towns Sustainable Water Supply and Sanitation Program,

**Objective:** The key objective of the program is to improve the access, quality, availability and sustainability of water supply and wastewater management services in multiple towns within Athi, Tanathi and Coast Water Works Development Agencies' areas of jurisdiction.

**Address:** The project's implementing Agency's headquarters offices are in Nairobi (City), Nairobi County, Kenya.

The address of its registered office is:

Athi Water Works Development Agency  
P.O. Box 45283-00100 GPO  
Athi Water Plaza  
Off Kiambu Road  
Muthaiga North Road  
**NAIROBI.**

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

Telephone: (254) 0202724292/3  
E-mail: info@awwda.go.ke  
Website: www.awwda.go.ke

**1.2 Project Information**

Project Start Date:	The project start date is <b>9<sup>th</sup> January 2017</b>
Project End Date:	The project initial end date was <b>31<sup>st</sup> December 2021</b> , it was extended to <b>31<sup>st</sup> December 2023</b>
Project Manager:	The project manager is <b>Eng. Joseph Kamau</b>
Project Sponsor:	The project sponsor is the <b>African Development Bank (AfDB)</b>

**1.3 Project Overview**

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Water, Sanitation and Irrigation
Project number	<b>P-KE-E00-011</b>
Strategic goals of the project	The strategic goals of the project are as follows: The main objective of the program is to improve the access, quality, availability and sustainability of water supply and wastewater management services in multiple towns in the Athi Cluster's area
Achievement of	The project management aims to achieve the goals through the following means:

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strategic goals	<ul style="list-style-type: none"><li>• Development of water and waste water infrastructure in Limuru, Kikuyu and Kiambu</li><li>• Undertake institutional development for AWWDA</li><li>• Climate adaptation support for AWWDA</li></ul>
Other important background information of the project	<p>The Kenya <b>Towns Sustainable Water Supply and Sanitation Program</b> project covers the whole country, covering the eight water works development agencies, Water services Regulatory Authority and Water resources Authority, but with only three water works development agencies as the implementing agencies.</p> <p>Athi Water Works Development Agency (AWWDA) is implementing agency for projects within areas covered by AWWDA, Coast, Tanathi WWDA, Water Services Regulatory Authority (WASREB) and Water Resources Authority (WRA). Athi (AWWDA) will lead the implementation of sub-projects within Athi, Tanathi and Coast WWDA's areas. The consortium of the five institutions is referred to as 'The Athi Cluster'.</p> <p>Subsequently AWWDA entered in to implementation agreements with CWWDA and TAWWDA whereby the project execution roles are shared by the three agencies. The project has four facilities namely: The ADB loan, the ADF loan, ADF Grant, and MIC TAF grant.</p> <ul style="list-style-type: none"><li>• AWWDA and CWWDA were beneficiaries of the ADB loan only</li><li>• WASREB and WRA were beneficiaries of ADF loan only</li><li>• TAWWDA benefited from ADB loan, ADF loan, ADF grant and MIC TAF grant</li><li>• AWWDA was also tasked to be in charge of the panel of experts responsible for the review of the dams being designed under the project across the country. The budget for the panel of experts is financed under the ADF loan.</li></ul> <p>The table below gives a breakdown of the budget allocations per agency per facility</p>

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<b>ATHI CLUSTER BUDGET PER AGENCY PER FACILITY</b>	
	<b>Budget Amount (Kshs)</b>
<b>ADB loan</b>	
AWWDA	6,119,577,734
TAWWDA	5,211,725,247
CWWDA	1,137,902,029
	<b>12,469,205,010</b>
<b>ADF LOAN</b>	
WASREB	76,000,000
WRA	35,000,000
AWWDA-PANEL OF EXPERTS	41,580,764
TAWWDA	141,950,000
	<b>294,530,764</b>
<b>ADF GRANT</b>	
TAWWDA	<b>51,476,267</b>
<b>MIC TAF GRANT (Grant is in USD 497,275)</b>	
TAWWDA	<b>51,476,267</b>
In addition to the above loan, the government of Kenya is required to:	
<ul style="list-style-type: none"> <li>• Finance additional cost of approximately Kshs. 2 Billion for implementation of Resettlement Action Plans and land acquisition</li> <li>• Pay any taxes either in the form of actual payment or through tax exemption</li> <li>• Finance any operational costs that will be incurred during project implementation</li> </ul>	
Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <p>(i) To support water supply infrastructure in 1 town and sanitation infrastructures in 4 towns, providing more than 100,000 people with reliable and sustainable water supply services and more than 250,000 people with water-borne sewerage systems</p> <p>(ii) To create more than 2000 jobs during and after the construction</p>
Project duration	The project started on 9 <sup>th</sup> January 2017 and is expected to run until 31 <sup>st</sup> December 2023.

**1.4 Bankers**

The donor funding is wholly direct payment and there was no project account opened. AWWDA got an approval from the National Treasury to open development fund account for efficient management of all the project's GoK counterpart funds. The development was opened at:

Cooperative Bank of Kenya  
Upper Hill Branch  
**NAIROBI**

**1.5 Auditors**

The project is audited by the:  
Auditor General,  
Office of the Auditor General,  
Anniversary Towers, University Way,

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P.O. Box 30084-00100,  
**NAIROBI.**

**1.6 Roles and Responsibilities**

<b>Names</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>
Eng. Joseph Kamau	Chief Manager, Water and Sanitation Services	Bsc. Civil Engineering, IEK	Project Manager
Alphaxard Kitheko	Ag. Manager-Sewer & Sanitation Infrastructure Development	Bsc. Civil Engineering	Project Coordinator
Keziah Adhiambo	Principal Environmental officer	Msc Environmental studies	Project environmentalist
Loise Kamau	Manager-Environment and Safeguards	BA Social studies	Project sociologist
Christine Mawia Julius	Manager-Finance and Accounts	Doctorate, MBA, CPA-K	Project accountant
Ann Gacheri	Principal Procurement Officer	MBA	Project procurement officer

**1.7 Funding summary**

The project duration was for four years from 2017 to 2021 but it was extended by 2 years to December 2023, with an approved budget of donor financing totalling to UA 89,750,732 broken down into: comprised of ADB loan (UA 86,983,974) equivalent to Kshs 12,469,205,011, ADF loan (UA 2,054,618) equivalent to Kshs 294,530,764, ADF grant (UA 359,093) equivalent to Kshs 51,476,267 and MIC TAF grant (UA 353,046) equivalent to Kshs 50,609,342. The GoK counterpart financing for the project was Kshs 2 Billion equivalent to UA 13,951,808; it was meant to finance land compensation, project operation costs and taxes (through exemptions). The table below gives the funding summary per agency, per facility.

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**A. Source of Funds**

Source of funds	Donor Commitment-		Amount received to date – (30/06/2021)		Undrawn balance to date (30/06/2021)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) Grant</b>						
ADF Grant-TAWWDA	359,093	51,476,267	291,016	41,717,309	68,078	9,758,958
MIC-TAF Grant TAWWDA	353,046	50,609,342	291,016	41,717,309	62,030	8,892,033
<b>(ii) Loan ADB</b>						
AfDB-AWWDA	42,689,585	6,119,577,734	14,029,922	2,011,197,692	28,659,663	4,108,380,042
AfDB-TAWWDA	36,356,494	5,211,725,247	7,256,882	1,040,278,444	29,099,612	4,171,446,803
AfDB-CWWDA	7,937,895	1,137,902,029	2,229,001	319,528,587	5,708,894	818,373,443
<b>Sub-total ADB loan</b>	<b>86,983,974</b>	<b>12,469,205,011</b>	<b>23,515,805</b>	<b>3,371,004,723</b>	<b>63,468,169</b>	<b>9,098,200,288</b>
<b>(iii) Loan ADF</b>						
ADF-AWWDA	290,063	41,580,764	138,852	19,904,583	151,211	21,676,181
ADF-TAWWDA	990,230	141,950,000	366,647	52,559,130	623,582	89,390,870
ADF-WASREB	530,169	76,000,000	0	0	530,169	76,000,000
ADF-WRA	244,157	35,000,000	138,560	19,862,628	105,597	15,137,372
<b>sub-total ADF loan</b>	<b>2,054,618</b>	<b>294,530,764</b>	<b>644,060</b>	<b>92,326,341</b>	<b>1,410,559</b>	<b>202,204,423</b>
<b>(iv) Counterpart funds</b>						
Government of Kenya	13,951,808	2,000,000,000	2,993,524	429,123,500	11,830,271	1,695,876,500
<b>Total</b>	<b>103,702,540</b>	<b>14,865,821,383</b>	<b>27,735,421</b>	<b>3,975,889,181</b>	<b>76,839,107</b>	<b>11,014,932,202</b>

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**B. Application of funds**

Application of funds	Amount received to date – (30/06/2021)		Cumulative Amount Paid to date – (30/06/2021)		Unutilized balance to date (30/06/2021)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) Grant</b>						
ADF Grant-TAWWDA	291,016	41,717,309	291,016	41,717,309	0	0
MIC-TAF Grant TAWWDA	291,016	41,717,309	291,016	41,717,309	0	0
<b>(ii) Loan ADB</b>	0					
AfDB-AWWDA	14,029,922	2,011,197,692	14,029,922	2,011,197,692	0	0
AfDB-TAWWDA	7,256,882	1,040,278,444	7,256,882	1,040,278,444	0	0
AfDB-CWWDA	2,229,001	319,528,587	2,229,001	319,528,587	0	0
<b>Sub-total ADB loan</b>	<b>23,515,805</b>	<b>3,371,004,723</b>	<b>23,515,805</b>	<b>3,371,004,723</b>	<b>0</b>	<b>0</b>
<b>(iii) Loan ADF</b>						
ADF-AWWDA	138,852	19,904,583	138,852	19,904,583	0	0
ADF-TAWWDA	366,647	52,559,130	366,647	52,559,130	0	0
ADF-WASREB	0	0	0	0	0	0
ADF-WRA	138,560	19,862,628	138,560	19,862,628	0	0
<b>sub-total ADF loan</b>	<b>644,060</b>	<b>92,326,341</b>	<b>644,060</b>	<b>92,326,341</b>	<b>0</b>	<b>0</b>
<b>(iv) Counterpart funds</b>						
Government of Kenya	2,993,524	429,123,500	489,472	70,166,149	2,504,052	358,957,351
<b>Total</b>	<b>27,735,421</b>	<b>3,975,889,181</b>	<b>25,231,369</b>	<b>3,616,931,831</b>	<b>2,504,052</b>	<b>358,957,351</b>

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**1.8 Summary of Overall Project Performance:**

<b>Contracts under AWWDA</b>			
<b>Project Name</b>	<b>Project Scope</b>	<b>Progress to date</b>	<b>Challenges</b>
Construction of Gatundu Water Supply and Sewerage Project	<p><b>Scope</b>            Construction of 40km of trunk and reticulation sewers, sewage treatment plant of capacity 3,000m<sup>3</sup>/d and three water supply schemes as follows; Ruabura 4,000m<sup>3</sup>/d, Ng'enda 4,000m<sup>3</sup>/d and Handege 9,000m<sup>3</sup>/d, 5 ablution blocks and 2000 connections            Construction period was 18 Months. The project end date was extended to June 2022.</p> <p><b>Cost of Contract</b>            Kshs 1,750,800,775.34 exclusive of VAT.</p>	The contract is on course, with the overall progress of works being 30%	<ul style="list-style-type: none"> <li>• Delays in acquisition of land for water intake and treatment plants</li> <li>• Way leave Challenges for Trunk sewers</li> </ul>
Construction of Kikuyu water and sewerage project	<p><b>Scope</b>            Construction of 50km of trunk and reticulation sewers with sizes ranging from DN 250 – 450mm PVC/uPVC pipes, 26km of HDPE water distribution network, 3 no. ablution blocks, 6 no. boreholes with 48m<sup>3</sup> pressed steel tanks and 450 household connections. Construction period ends in March 2022</p> <p><b>Cost of Contract</b>            Kshs 635,993,481.75 exclusive of VAT</p>	Progress of works achieved is 53%	<ul style="list-style-type: none"> <li>• Encroachment of way leave</li> </ul>
Construction of Limuru water and sewerage	<p><b>Scope</b>            Rehabilitation of the existing waste water treatment plant, construction of 2 no. oxidation</p>	Overall progress of works achieved is 50%	<ul style="list-style-type: none"> <li>• Encroachment of wayleave</li> </ul>

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Contracts under AWWDA			
Project Name	Project Scope	Progress to date	Challenges
project	ditches, 4 no. settling tanks, sludge beds, 40km of extension sewers with sizes ranging from DN 250 – 300mm uPVC pipes, 25km of HDPE water distribution network, 3 no. ablution blocks, 6 no. boreholes with 48m <sup>3</sup> pressed steel tanks and 450 household connections. Construction period ends in March 2022 <b>Cost of Contract</b> Kshs 576,508,513.11 exclusive of VAT		
Construction of Kiambu and Ruaka water and sewerage works	<b>Scope</b> Rehabilitation of the existing waste water treatment plant, construction of 108km of trunk and reticulation sewers ranging in size from DN 250 – 450mm covering areas of Kiambu and Ruaka, 25km of HDPE water distribution network, 4,000m <sup>3</sup> /d Kiameru water scheme, 4 no. ablution blocks, 6 no. boreholes with 48m <sup>3</sup> pressed steel tanks and 450 household connections. Construction period is extended up to June 2022 <b>Cost of Contract</b> Kshs 1,292,917,545.01 exclusive of VAT	Overall progress of works achieved is 50%	<ul style="list-style-type: none"> <li>Delays in acquisition of way leave for sewers &amp; encroachment i.e., Kanda Komu, Ruaka, Riara</li> </ul>
Makutano Water and Sewerage Project	<b>Makutano Sewerage</b> Laying of 12.5km of 600/450/300 dia. PCC trunk sewer pipeline, Sewerage treatment plant of capacity 3,000m <sup>3</sup> /d (Phase 1), 15.5km of reticulation sewers and provision of 1000 household sewer connections. Also, rehabilitation of the Ablution block in Kangari market <b>Makutano/Kenol Water</b>	progress of works achieved is 10%	<ul style="list-style-type: none"> <li>Way leave challenges for waste water treatment plant</li> <li>Delays in approval for Specific Exemptions</li> </ul>

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Contracts under AWWDA			
Project Name	Project Scope	Progress to date	Challenges
	<p><b>Supply</b></p> <p>Laying of 34.9km, 200mm dia. and 11.0km, 160mm dia. HDPE treated water pipeline, construction of 2no. 250m<sup>3</sup> masonry tank and Laying of 152km of distribution pipelines in underserved areas within the Murang'a</p> <p>The project construction period is scheduled to end in May 2022</p> <p><b>Cost of Contract Kshs 689,651,517.67</b> exclusive of VAT</p>		

#### Goods-AWWDA

Project Name	Project Scope	Progress to date	Challenges
Supply and delivery of Office equipment for AWWDA	The contract was signed at a contract sum of Kshs 15,821,483 exclusive of taxes. It was for supply of office equipment including office laptops, desktops and printers	The contract is completed	None
Supply, Delivery and Installation of an Integrated Enterprise Planning (ERP) System for Athi Water Services Board	The contract was awarded on 22 <sup>nd</sup> February 2019 at a contract sum of Kshs 51,724,137.93 exclusive of VAT being the supply and delivery of ERP and all the necessary hardware.	Contract is on course, Implementation on-going	None
Supply and delivery of 3 No. vehicle mounted sewer flushing units	The supply was awarded at a contract price of Euros 638,000 exclusive of taxes	The sewer flushing units are already supplied, the payments are being processed	None
Supply and delivery of Non-Revenue water management equipment	The contract was awarded at a contract price of Kshs 145,569,449.72 exclusive of taxes on 13 <sup>th</sup> March 2020;	The contract is completed	None

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**Consultancies-AWWDA**

Project Name	Consultancy Scope	Progress to date	Challenges
Consultancy Services for Design Review and Supervision of Gatundu Water Supply and Sewerage Project	Design review, tender documentation and construction supervision of water and sewerage works Consultancy period is <b>37 Months</b> <b>Cost of Contract</b> Kshs 102,580,770.00 exclusive of indirect taxes	The consultancy is on course and has disbursed Kshs 24,513,645 for certificates 1- 5	None
Consultancy Services for Design Review and Supervision of Limuru and Kikuyu Water Supply and Sewerage Project	Design review, tender documentation and construction supervision of water and sewerage works Consultancy period is <b>37 Months</b> <b>Cost of Contract</b> Kshs 101,754,530.00 exclusive of indirect taxes	The consultancy is on course and has disbursed Kshs 65,684,941.60 for certificates 1- 8	None
Consultancy Services for Design Review and Supervision of Kiambu and Ruaka Water supply and Sewerage Project	Design review, tender documentation and construction supervision of water and sewerage works Consultancy period is <b>37 Months</b> <b>Cost of Contract</b> Kshs 83,263,530.00 exclusive of indirect taxes	The consultancy is on course and has disbursed Kshs 54,811,941.60 for certificates 1-8	None
Consultancy Services for Design Review and Supervision of Makutano water and sanitation project	Design review, tender documentation and construction supervision of water and sewerage works. The cost of the contact Kshs	The consultancy is on course and has disbursed up to Kshs 9,569,000.00 for certificate 1-4	None

**Independent Panel of Experts-AWWDA**

	Consultancy Scope	Progress to date	Challenges
IOANNIS KARAVOKYRIS	The Independent Panel of Experts is on course Amounts disbursed by the IPE's for certificates 1-4 are; Ioannis Karavokyris- Kshs 4,270,695.43 Angelina Nduta- Kshs 1,767,806.00 George T. Dounias- Kshs 4,428,002.58 Ljiljana Spasic-Gril- Kshs 10,159,383.23	<ul style="list-style-type: none"> <li>• Feasibility Study</li> <li>• Preliminary and Detailed Design Report, Including planning of surveys</li> <li>• Resettlement Action Plan report</li> <li>• Final Environmental and Social Impact Assessments (ESIA) study report</li> <li>• Terms of Reference</li> </ul>	(i) The contract is on course
ANGELINA NDUTA MWENDE			
GEORGE T. DOUNIAS			
LJILJANA SPASIC-GRIL			

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**Progress projects in TAWWDAs area**

Project Name	Project Scope	Progress to date	Challenges
<b>Works</b>			
Machakos Water Supply Project	<b>Scope of works</b> <ul style="list-style-type: none"> <li>15m high Earth Dam</li> <li>58km raw and treated water mains</li> <li>Storage tanks</li> </ul> Cost – Kshs 1,070,693,554.13	The works commenced and achieved 9% progress	<ul style="list-style-type: none"> <li>Due to delays as a result of the court stoppage order, the contractor has raised a claim of up to Ksh.372 Million which is still under consideration</li> <li>Lack of land for the Miwongoni Dam</li> </ul>
Machakos Sewerage Project Scope of works	<b>Scope of works</b> <ul style="list-style-type: none"> <li>Laying 60km of sewers</li> <li>Waste water Treatment Plant 12,500m<sup>3</sup>/d</li> <li>2000 connections</li> </ul>	Works ongoing, currently at 20% progress	Court case by PAP at the proposed Ikiwe waste water treatment plant site.
Mwala – Mbiuni Water Supply and Sewerage Project	<b>Scope of works</b> Mwala – Mbiuni Water Supply and Sewerage Project Scope of Works 1.65m RC Weir 120km Water Line Construction Storage tanks Kshs 576,508,513.11 exclusive of VAT	There was minimal works progress during 2020/2021FY. Overall progress achieved is 17%	Contractor demobilized from site
Last mile connectivity (Kitui and Matuu)	<b>Scope of works</b> 40km water distribution lines 40km Sewer lines Cost – Kshs 860m	Works on-going, overall progress is at 25% progress	Delay in Approval of road crossings by authorities
<b>Consultancies</b>			
CAS consultants ltd	Feasibility study is complete. geotechnical studies and preliminary designs have commenced		The contract is on course
Oloolotikosh Dam water supply studies	Feasibility study complete and Preliminary designs complete. Detailed designs ongoing		The contract is on course
CAS consultants ltd	Consultancy services for design and supervision of Mwala cluster water and sanitation		The contract is on course
Tscet Tunisie and Losai Engineering	Consultancy services Machakos water and sewerage works		The contract is on course
Tertiary	Consultancy Services for Design Review and		The contract is on course

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Project Name	Project Scope	Progress to date	Challenges
Consulting Engineers JV Saman Co. Ltd	Supervision of Kitui and Matuu Towns Last mile connectivity for Water Supply and Sanitation Works		
<b>Goods</b>			
Next technologies	Supply, Delivery and Installation of an Integrated Enterprise Planning (ERP) System for Tanathi Works development Agency (formerly Tanathi Water Services Board)		The contract is on course

#### Progress of contracts under CWWDA's area

Project Name	Project Scope	Progress to date	Challenges
<b>Works</b>			
Construction of changamwe repooling water works	<b>Scope of works</b> Rehabilitation and laying of 15.8km of sewers Cost – Kshs 204,483,295	Works on-going at 15% progress	Slow progress by the Contractor
Pemba Water Supply Project	<b>Scope of works</b> Rehabilitation of pemba weir and construction of a water treatment Plant of 3,000m <sup>3</sup> /d. Cost – Kshs 286,801,675.00	Works on-going at 65% progress	Lengthy payment processes which affects the contractor's cash flow
Construction Works For Water Distribution For Malindi/Watamu	Construction Works For Water Distribution For Malindi/Watamu	Works on-going, at 20% overall progress	None
<b>Services</b>			
<b>Consultant Name</b>	<b>Details</b>		
Interconsult Consulting Engineers	Consultancy Services for Design Review and Supervision of Pemba and Changamwe re-pooling Water supply and Sewerage Project. The contract disbursed up to Kshs 39,060,000.00 for certificates 1-6		Contract on course
Interconsult Engineers Limited	Consultancy Services for Design Review and Supervision of Watamu project. The project disbursed up to Kshs 10,355,000.00 for certificate 1-5.		Contract is on course

#### The overall progress of the project was low be

The project failed to absorb the allocated budget primarily because of delayed master list approvals. The master list approvals were received in April 2020, which was also at the tail end of their expiry and this called for immediate application for their extension.

The delays also affected the progress of works and therefore the expected output was not achieved in the year.

The contracts have however been extended to allow for completion of the project expected outputs and outcomes.

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The contracts are being implemented while considering value for money

The main challenges experienced in the year included:

- Delayed master list approvals
- Delayed RAP implementation
- Delays in issuance of permits for road, railway crossings and forests authorities.

**1.9 Summary of Project Compliance:**

The project performed all its activities ensuring compliance with applicable laws and regulations, and essential external financing agreements/covenants.

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

**Introduction**

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

The key development objectives of the *project* is to improve the access, quality, availability and sustainability of water supply and wastewater management services in multiple towns in the Athi cluster's areas of jurisdiction.

**Progress on attainment of Strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Kenya Towns Sustainable Water Supply and Sanitation Program	To improve the access, quality, availability and sustainability of water supply and wastewater management services in multiple towns	1000km	Length of water pipes laid	7.18
		20	No of water treatment plants constructed/upgraded	0
		17	No. of intake structures constructed /rehabilitated	0
		500km	Length of sewer pipes laid	16.94
		17	No. of waste water treatment plants constructed/upgraded	0
		67	No. of ablution blocks constructed	0
		11, 19	No. of laboratories constructed, supplied with equipment	0
		7	No. of exhausters procured	0
		800 (at least 30% women)	No. of WSP/WSB staff trained	0
		20	No. of climate mainstreamed WSP business plans developed/revised (gender-informed)	0
12	No. of studies prepared for future investments	0		

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**3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

Athi Water Works Development Agency (AWWDA) is a state corporation established by the Water Act 2016 under the Ministry of Water, Sanitation and Irrigation covering Nairobi City County, Kiambu County and Murang'a County. Its key responsibility as defined by the Water Act 2016 is to;

1. Undertake the development, maintenance and management of National Public Waterworks,
2. Operate the waterworks and provide water services as a water service provider, until such a time as responsibility for the operation and management of waterworks are handed over to a county government, joint committee, authority of county government or water services provider,
3. Provide reserve capacity for purposes of providing water services where the Regulatory Board orders the transfer of water services functions from a defaulting water services provider to another licensee,
4. Provide technical services and capacity building to such county government and water providers,
5. Provide to the cabinet secretary technical support in discharging of his or her functions under the Water Act 2016.

**Sustainability strategy and profile -**

In performing her mandate, Athi Water is committed to perform ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. AWWDA undertakes to conduct business in a way which will achieve sustainable growth, in line with legal and moral obligations. We aim to achieve our business objectives in a caring and responsible manner taking into account economic, social and environmental impacts.

**Environmental performance**

Environmental and Social Sustainability refers to concerted efforts to mitigate against environmental degradation and social impacts. It is the maintenance of the factors and practices that contribute to the quality of environment on a long-term basis as well acceptable social norms over the long term.

It involves making decisions and taking action that are in the interests of protecting the natural and social environment, with particular emphasis on preserving the capability of the environment to support human life; and social wellbeing of communities.

Athi Water Works Development Agency (AWWDA) as a state corporation with key functions of Planning, development, rehabilitation and expansion of water and sanitation services infrastructure is cognizant of the possible impacts (both positive and negative) resulting from interaction of the organization's activities with both physical and social environment.

As such, AWWDA is committed to environmental conservation and protection as well as safeguarding of health and safety of workers within the premises and projects. Through the integrated Environment, Health and Safety policy statement, the organization commits to protecting the environment, preserving the health and safety of employees

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and communities, and ensuring safe development of water and sanitation infrastructure within the Institution's area of jurisdiction.

AWWDA has a structured way of managing the environmental and social aspects associated with its operations through the existing Environmental and Social Safeguards unit with a total of 10 permanent staff.

Pollution prevention, regulatory compliance, stakeholder engagement, public consultation and continual improvement are the key elements which underpins AWWDA environmental sustainability.

The objective of the AWWDA's environmental sustainability is therefore to promote sustainable development within our area of jurisdiction by ensuring environmental protection, social equity, and economic development.

AWWDA environmental sustainability is guided by the Environmental Management and Coordination (Amendment) Act of 2015 which is the principal legislation governing the conduct of environmental management in Kenya; and the Constitution of Kenya, 2010. Other legislation related to natural resources such as Water Act, forest Act, Land planning Act, National land policy etc. as well as the Occupational Health and Safety Act, 2010 are also used as guidelines. AWWDA also complies with the other environmental requirements of International Development Funding agencies such as World Bank, Africa Development Bank, French Development Bank among others.

**Table 1: Environmental and Social Safeguards**

IDF	Environment Safeguards Instruments	Description of safeguards
African Development Bank	Operational Safeguards (OS)	OS 1: Environmental and Social Assessment. OS 2: Involuntary Resettlement: Land Acquisition, Population Displacement and Compensation. OS 3: Biodiversity and Ecosystem Services. OS 4: Pollution Prevention and Control, Greenhouse Gases, Hazardous Materials and Resource Efficiency. OS 5: Labour Conditions, Health and Safety.
World Bank	Environmental and Social operational policies (OP)	OP4.01: Environmental Assessment OP4.36: Forestry OP 4.04: Natural Habitats OP4.12: Involuntary Resettlement OP 4.11: Physical Cultural Resources OP 4.10: Indigenous Peoples Policy OP 4.09: Pests Control Management
KfW	Sustainability Guidelines	

**1. Employee welfare**

The project management is by AWWDA staff and therefore the entity's employee welfare policies and guidelines applies as detailed below:

AWWDA has developed an approved Human Resource Instruments in which one of the guidelines is a comprehensive Human Resource Policy and Procedures Manual which is the primary document in the management

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of the Human Resources at the Agency. The document contains provisions for managing the entire scope of Human Resource Management and Development cycle.

It generally guides the implementation of the policies and decision making at various levels within the Agency on matters human capital. The policy provision covers the entire recruitment process, pay and benefits, employee relations, performance management, training & development and the health and safety issues. In consideration of the affirmative actions, the policy addresses issues related to gender balance, persons with disability and consideration of the marginalized communities in all aspects of human resources dynamics.

Under the career development, AWWDA has a comprehensive career progression document that outlines employee succession plans including requirements for internal promotions and the external engagements where talents may be required within its establishment. This is an instrument that outlines job descriptions for each cadre of employee. Together with the annual departmental work plans and the Government's performance contracting tool enables employees set their targets and eventually evaluated through annual appraisals. The evaluation enables employees of the Agency to be up skilled, helped or otherwise redeployed and up scaled.

The Agency also recognizes and commits itself to the achievement of the highest standards of health and safety in the workplace, and the elimination or minimization of health and safety hazards and risks that may affect its employees. In this regard, it implements policies and programmes that assure their protection from such hazards and disasters. The policies and programmes are implemented in compliance with the provisions of Occupational Safety and Health Act, 2007 and other Labour Laws.

**2. Market place practices-**

AWWDA ensures incorporation of competitive market practices through, encouraging competitive bidding by placing advertisements for all tenders in our local dailies, our website and The Govt. of Kenya Treasury portal. This enables all prospective bidders to access the information and to participate. At the close of all tenders, representatives who choose to attend are invited to witness the opening of the tenders to ensure transparency in the bidding process. All the participants are informed of the outcome of the procurement process.

AWWDA has always maintained an effective feedback mechanism by holding an annual supplier meeting to get feedback from suppliers and contractors. Any concerns raised during the forum are adequately addressed. All engagements between AWWDA and suppliers and/or contractors take the form of purchase orders and contracts which are signed by both parties and they clearly enumerate responsibilities and obligations of either party. The payment schedules also form part of the contracts and they are strictly adhered to during the contract period.

AWWDA encourages public participation and also clearance by relevant Govt agencies to ensure consumer rights and interests are not infringed

**3. Community Engagements-**

During the 2020/2021FY AWWDA continued to ensure enhanced access to water across our area of jurisdiction in a bid to reduce the spread of COVID19.

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**4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES**

The Chief Executive Officer Athi Water Works Development Agency (AWWDA) and the Project Coordinator for Kenya Towns Sustainable Water Supply and Sanitation Program are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2021.

This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

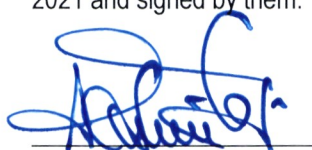
The Chief Executive Officer AWWDA and the Project Coordinator for Kenya Towns Sustainable Water Supply and Sanitation Program accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Chief Executive Officer AWWDA and the Project Coordinator for Kenya Towns Sustainable Water Supply and Sanitation Program are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial period ended June 30, 2021, and of the Project's financial position as at that date. The Chief Executive Officer AWWDA and the Project Coordinator for Kenya Towns Sustainable Water Supply and Sanitation Program further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Chief Executive Officer AWWDA and the Project Coordinator for Kenya Towns Sustainable Water Supply and Sanitation Program confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Project financial statements**

The Project financial statements were approved by the Chief Executive Officer Athi Water Works Development Agency and the Project Coordinator for Kenya Towns Sustainable Water Supply and Sanitation Program on 28<sup>th</sup> September 2021 and signed by them.



Chief Executive Officer  
Name: Eng. Michael M. Thuita



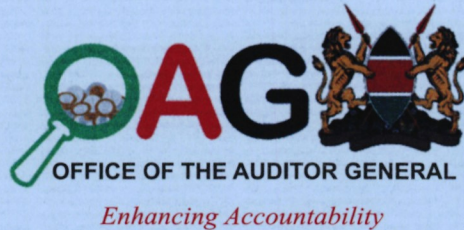
Project Manager  
Name: Eng. Joseph Kamau



Project Accountant:  
Name: CPA, Dr. Christine Mawia Julius  
ICPAK Member Number: 6458

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON KENYA TOWNS SUSTAINABLE WATER SUPPLY AND SANITATION PROGRAM (LOAN NO.2000200000501) FOR THE YEAR ENDED 30 JUNE, 2021- ATHI WATER WORKS DEVELOPMENT AGENCY**

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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, gazetted 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 control, 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 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of Kenya Towns Sustainable Water Supply and Sanitation Program (Loan No.2000200000501) set out on pages 1 to 25,

which comprise the statement of financial assets as at 30 June, 2021 and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Towns Sustainable Water Supply and Sanitation Program as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Loan Agreement No.2000200000501 dated 9 January, 2017 between African Development Bank and the Republic of Kenya and Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Towns Sustainable Water Supply and Sanitation Project 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 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 in the year under review.

### **Other Matter**

#### **1.0. Low Absorption of Project Funds**

The report on project information and overall performance indicates that the project commenced on 9 January, 2017 and was expected to run for a period of five years to end 31 December, 2021. However, the closing date has since been extended to 31 December, 2023. The project therefore has been in operation for about four (4) years and five (5) months which covers 74% of its extended seven (7) year duration expected to end in December, 2023. However, as at 30 June, 2021, the project had only absorbed Kshs.3,975,889,181 out of the total loan amount of Kshs.14,865,821,383.00 (UA 103,702,540) translating to about 26% of the total funding. In the year under review, the Project did not utilize Kshs.513,100,829 or 27% of its approved annual budget.

This under absorption indicates delay in implementation of the project activities as anticipated and thus it is unlikely that the Project will meet its intended objectives.

## **2.0. Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects, final receipts budget and actual on comparative basis amount of Kshs.1,925,000,000 and Kshs.1,516,964,855 respectively, resulting to underfunding of Kshs.408,035,145 or 21% of the budget. Further, the Project's approved expenditure was Kshs.1,925,000,000 while the actual expenditure was Kshs.1,411,899,171 resulting in under absorption of Kshs.513,100,829 or 27% of the budget.

The Management explained the under absorption as attributed to the fact that the consultant for the grant component did not attain the required milestone by the end of the financial year, and slow progress in the attainment of the planned milestones in Mwala, Changamwe and Machakos water contracts due to slow progress by contractors and land acquisition issues.

The under expenditure of the approved budget indicates that some activities and projects in the annual work plan were not implemented thus affecting the achievement of the intended objectives and negatively affecting service delivery to the public.

### **Other Information**

The Program Management is responsible for the other information, which comprises Project Information and Overall Performance, Statement of Performance Against Project's Predetermined Objectives, Corporate Social Responsibility Statement/ Sustainability Reporting and Statement of Project Management Responsibilities.

The other information does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

## **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, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1.0 Failure to Maintain Separate Project Bank Account**

Article I, Section 1.2 (j) of the Subsidiary Loan Agreement between the Government of Kenya and Tana Water Works Development Agency requires the Programme to open a

separate bank account for the purpose of receiving and accounting counterpart funds. However, as at the time of this audit in October, 2021, the Project had not opened the account but continued to receive the counterpart funds through the Agency's development bank account.

## **2.0 Slow Implementation of Projects**

An audit inspection of projects and review of contract agreements for works being implemented by Athi Water Works Development Agency, Tana Athi Water Works Development Agency, and Coast Water Works Development Agency show slow progress in implementation of the projects and were behind schedule. Site visits to projects revealed slow progress of works compared with the agreed projects' duration. It was also noted that overall progress was 36%-twenty-six months to the end of the revised seven-year contract period to end in December, 2023.

Further, field verification of Gatundu Water Supply and Sewerage Project revealed progress was about 18% completion level, although the Project Management estimated the works to be 30% complete.

Although the management attributed the delay in implementation of the projects to failure to obtain tax exemption, slow acquisition of land for project by National Land Commission, inadequate counterpart funding and court cases among other reasons, several works may not be completed within the contract period which may lead to cost overruns.

## **3.0 Stalled Project - Changamwe Re-pooling Sewer Network**

Contract for the works was awarded contract cost is Kshs.204,483,295, commencement date was 30 October, 2018 and the expected completion date was 14 June, 2020, which was later extended to 14 January, 2021 and again revised to 14 January, 2022. As at 30 June, 2021 the contractor had received Kshs.72,816,261. A site visit to Changamwe repooling sewer network project revealed that the project had stalled due to an order issued on ongoing lawsuit by the contractor against the Athi Water Works Development Agency for breach of contractual agreement. The order restrained the Agency from removing the contractor from the possession of the construction site and appointing another contractor to proceed with the construction work, pending the hearing and determination of the suit.

Inspection carried out in October, 2021 revealed that the manholes constructed had been vandalized, while piping works were done coring about 3km out of the expected 15km. The overall work completed was only 15%. It is also not clear if the works would be completed due to the ongoing lawsuit.

In the circumstances, the intended beneficiaries may not receive services from the project

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk Management and governance were not effective.

### Basis for Conclusion

The audit was conducted in accordance with 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 control, risk Management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the African Development Bank Loan Agreement No.2000200000501 dated 9 January, 2017 I report based on my audit, that:

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

### Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project'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 Project or to cease operations.

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the 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 control 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 control would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 Project'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 Project 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 Project to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

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

29 November, 2021

# Kenya Towns Sustainable Water Supply and Sanitation Program

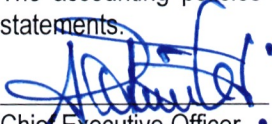
## Reports and Financial Statements

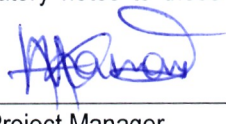
For the financial year ended June 30, 2021

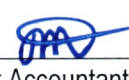
### 6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2019/2021			2019/2020			Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	TOTAL	Receipts and payments controlled by the entity	Payments made by third parties	TOTAL	
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>RECEIPTS</b>								
Transfer from Government entities	11.1	125,000,000	-	125,000,000	262,500,000	-	262,500,000	429,123,500
Proceeds from domestic and foreign grants	11.2	-	26,309,937	26,309,937	-	11,044,432	11,044,432	83,434,618
Loan from external development partners-AWWDA	11.3	-	900,656,646	900,656,646	-	207,336,339	207,336,339	2,031,102,275
Loan from external development partners-TAWWDA	11.3.1	-	302,987,612	302,987,612	-	751,161,415	751,161,415	1,092,837,574
Loan from external development partners-CWWDA	11.3.2	-	142,103,288	142,103,288	-	68,023,561	68,023,561	319,483,844
Loan from external development partners-WASREB	11.3.3	-	-	-	-	-	-	-
Loan from external development partners-WRA	11.3.4	-	19,862,628	19,862,628	-	-	-	19,862,628
Miscellaneous receipts	11.4	-	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>		<b>125,000,000</b>	<b>1,391,920,111</b>	<b>1,516,920,111</b>	<b>262,500,000</b>	<b>1,037,565,745</b>	<b>1,300,065,745</b>	<b>3,975,844,438</b>
<b>PAYMENTS</b>								
Compensation of employees	11.5	-	-	-	-	-	-	-
Purchase of goods and services-AWWDA	11.6	19,934,316	137,432,030	157,366,346	18,760,608	11,703,130	30,463,738	219,301,309
Purchase goods and services-TAWWDA	11.6.1	-	58,198,672	58,198,672	-	38,629,432	38,629,432	156,700,853
Purchase goods and services-CWWDA	11.6.2	-	5,224,569	5,224,569	-	-	-	5,224,569
Purchase goods and services-WRA	11.6.3	-	19,862,628	19,862,628	-	-	-	19,862,628
Social security benefits	11.7	-	-	0	-	-	-	-
Acquisition of non-financial assets-AWWDA	11.8	-	763,224,616	763,224,616	-	195,633,209	195,633,209	1,881,967,115
Acquisition of non-financial assets-TAWWDA	11.8.1	-	271,098,877	271,098,877	-	723,576,415	723,576,415	1,019,571,340
Acquisition of non-financial assets-CWWDA	11.8.2	-	136,878,720	136,878,720	-	68,023,561	68,023,561	314,259,275
Transfers to other government entities	11.9	-	-	-	-	-	-	-
Other grants and transfers and payments	11.10	-	-	-	-	-	-	-
<b>TOTAL PAYMENTS</b>		<b>19,934,316</b>	<b>1,391,920,111</b>	<b>1,411,854,428</b>	<b>18,760,608</b>	<b>1,037,565,745</b>	<b>1,056,326,353</b>	<b>3,616,887,087</b>
<b>SURPLUS/(DEFICIT)</b>		<b>105,065,684</b>	<b>-</b>	<b>105,065,684</b>	<b>243,739,392</b>	<b>0</b>	<b>243,739,392</b>	<b>358,957,351</b>

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

  
 Chief Executive Officer  
 Name: Eng. Michael M. Thuita

  
 Project Manager  
 Name: Eng. Joseph Kamau

  
 Project Accountant:  
 Name: CPA, Dr. Christine Mawia Julius  
 ICPAK Member Number: 6458  
 Date: 28/09/2021

Date: 28/09/2021

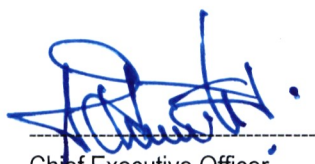
Date: 28/09/2021

**Kenya Towns Sustainable Water Supply and Sanitation Program**  
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**7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021**

	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	11.11A	358,957,351	253,891,667
Cash Balances	11.11B		-
Cash Equivalents (short-term deposits)	11.11C		-
<b>Total Cash and Cash Equivalents</b>		<b>358,957,351</b>	<b>253,891,667</b>
Accounts receivables – Imprest and Advances	11.12		-
<b>TOTAL FINANCIAL ASSETS</b>		<b>358,957,351</b>	<b>253,891,667</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	11.14	253,891,667	10,152,275
Prior year adjustments	11.15	-	-
Surplus/(Deficit) for the year		105,065,684	243,739,392
<b>NET FINANCIAL POSITION</b>		<b>358,957,351</b>	<b>253,891,667</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28<sup>th</sup> September 2021 and signed by:



Chief Executive Officer  
Name: Eng. Michael M. Thuita

Date: 28/09/2021



Project Manager  
Name: Eng. Joseph Kamau

Date: 28/09/2021



Project Accountant:  
Name: CPA, Dr. Christine Mawia Julius  
ICPAK Member Number: 6458

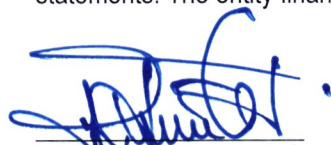
Date: 28/09/2021

**Kenya Towns Sustainable Water Supply and Sanitation Program**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**8. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2021**

	Note	2020-2021 Kshs	2019-2020 Kshs
<b>Receipts from operating activities</b>			
Transfer from the Minsitry	11.1	125,000,000	262,500,000
Proceeds from domestic and foreign grants	11.2	26,309,937	11,044,431.5
Miscellaneous receipts	11.4	-	-
		<b>151,309,937</b>	<b>273,544,432</b>
<b>Payments from operating activities</b>			
Compensation of employees	11.5	-	-
Purchase of goods and services-AWWDA	11.6	- 157,366,346	- 30,463,738
Purchase goods and services-TAWWDA	11.6.1	- 58,198,672	- 38,629,432
Purchase goods and services-CWWDA	11.6.2	- 5,224,569	
Purchase goods and services-WRA	11.6.3	- 19,862,628	
Social security benefits	11.7	-	-
Transfers to other government entities	11.9	-	-
Other grants and transfers	11.10'	-	-
<b>Adjustments during the year</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	11.16		-
Increase/(Decrease) in Accounts Payable: (deposits and retention)	11.17		-
Prior Year Adjustments	11.15		-
<b>Net cash flow from operating activities</b>		<b>- 240,652,215</b>	<b>- 69,093,169</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets AWWDA	11.8	-763,224,616	- 195,633,209
Acquisition of Assets TAWWDA	11.8.1	-271,098,877	- 723,576,415
Acquisition of Assets CWWDA	11.8.2	-136,878,720	- 68,023,561
<b>Net cash flows from Investing Activities</b>		<b>-1,171,202,213</b>	<b>- 987,233,184</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from Foreign Borrowings AWWDA	11.3	900,656,646	207,336,339
Proceeds from Foreign Borrowings TAWWDA	11.3.1	302,987,612	751,161,415
Proceeds from Foreign Borrowings CWWDA	11.3.2	142,103,288	68,023,561
Proceeds from Foreign Borrowings WASREB	11.3.3	-	-
Proceeds from Foreign Borrowings WRA	11.3.4	19,862,628	
<b>Net cash flow from financing activities</b>		<b>1,365,610,174</b>	<b>1,026,521,314</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>105,065,684</b>	<b>243,739,392</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>253,891,667</b>	<b>10,152,275</b>
<b>Cash and cash equivalent at END of the year</b>		<b>358,957,351</b>	<b>253,891,667</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 28<sup>th</sup> September 2021 and signed by:



Chief Executive Officer  
Name: Eng. Michael M. Thuita

Date: 28/09/2021



Project Manager  
Name: Eng. Joseph Kamau

Date: 28/09/2021



Project Accountant:  
Name: CPA, Dr. Christine Mawia Julius  
ICPAK Member Number: 6458

Date: 28/09/2021

**Kenya Towns Sustainable Water Supply and Sanitation Program**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Transfer from Government entities	500,000,000	-375,000,000	125,000,000	125,000,000	-	100%
Proceeds from domestic and foreign grants TAWWDA	100,000,000		100,000,000	26,309,937	73,690,063	26%
Proceeds from borrowings	1,700,000,000		1,700,000,000	1,365,654,918	334,345,082	80%
Miscellaneous receipts			-		-	
<b>Sub-Total Receipts for Athi cluster</b>	<b>2,300,000,000</b>	<b>-375,000,000</b>	<b>1,925,000,000</b>	<b>1,516,964,855</b>	<b>408,035,145</b>	<b>79%</b>
<b>Payments</b>						
Compensation of employees	-	-	-		-	
Purchase of goods and services	710,000,000	-375,000,000	335,000,000	240,652,215	94,347,785	72%
Social security benefits			-		-	
Acquisition of non-financial assets	1,590,000,000		1,590,000,000	1,171,246,957	418,753,043	74%
<b>Total Payments</b>	<b>2,300,000,000</b>	<b>-375,000,000</b>	<b>1,925,000,000</b>	<b>1,411,899,171</b>	<b>513,100,829</b>	<b>73%</b>

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



Chief Executive Officer  
Name: Eng. Michael M. Thuita

Date: 28/09/2021



Project Manager  
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Date: 28/09/2021



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ICPAK Member Number: 6458

Date: 28/09/2021

**Kenya Towns Sustainable Water Supply and Sanitation Program**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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**10. NOTES TO THE FINANCIAL STATEMENTS**

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

**10.1 Basis of Preparation**

**10.2 Statement of compliance and basis of preparation**

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

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

**10.3 Reporting entity**

The financial statements are for the Kenya Towns Sustainable Water Supply and Sanitation Program under under Athi Water Works Development Agency. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

**10.3.1 Reporting currency**

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

**10.4 Significant Accounting Policies**

**a) Recognition of receipts**

The Project recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by AWWDA and/or the contractor/consultant or supplier in the event of direct payments.

**i) Transfers from the Exchequer**

Transfer from Exchequer is be 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.

**ii) External Assistance**

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

**iii) Other receipts**

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

**Kenya Towns Sustainable Water Supply and Sanitation Program**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Donations and grants**

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

**c) Proceeds from borrowing**

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

**d) Undrawn external assistance**

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

**e) Recognition of payments**

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

**i) Compensation of employees**

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

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

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

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

**Kenya Towns Sustainable Water Supply and Sanitation Program**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**v) Acquisition of fixed assets**

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

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

**f) In-kind donations**

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

**g) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**Restriction on cash**

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

**h) 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 is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**Kenya Towns Sustainable Water Supply and Sanitation Program**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Contingent Liabilities**

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

The project has a court case on land and way leave acquisition for Machakos Water Supply Project whose financial value could not be reliably determined as at 30<sup>th</sup> June 2020 because the case was yet to be heard.

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the entity to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

**j) Contingent Assets**

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

**k) 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 Project 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.

**Kenya Towns Sustainable Water Supply and Sanitation Program**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l) Budget**

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognized as inter-entity transfers and are eliminated upon consolidation.

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

**m) Third party payments**

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

During the year Kshs 1,595,252,446 being loan disbursements were received in form of direct payments from third parties.

**n) Exchange rate differences**

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

**o) Comparative figures**

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

**p) Subsequent events**

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2021.

**q) 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.

**Kenya Towns Sustainable Water Supply and Sanitation Program**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**11. NOTES TO THE FINANCIAL STATEMENTS**

**11.1 RECEIPTS FROM GOVERNMENT OF KENYA**

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

	2020/2021	2019/20	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
<b>Counterpart funding through Ministry of Water, Sanitation and Irrigation</b>			
Counterpart funds Quarter 1	125,000,000	87,500,000	231,623,500
Counterpart funds Quarter 2		87,500,000	95,000,000
Counterpart funds Quarter 3		87,500,000	95,000,000
Counterpart funds Quarter 4			7,500,000
	<b>125,000,000</b>	<b>262,500,000</b>	<b>429,123,500</b>
<b>Other transfers from government entities</b>			
	-	-	-
Appropriations-in-Aid	-	-	-
Total	<b>125,000,000</b>	<b>262,500,000</b>	<b>429,123,500</b>

## Kenya Towns Sustainable Water Supply and Sanitation Program

### Reports and Financial Statements

For the financial year ended June 30, 2021

#### 11.2 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2021 Under the Athi cluster TAWWDA received ADF and MIC TAF grants from donors in relation to Ololotikosh Dam as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs	
						2020/2021	2019/20
			Kshs	Kshs	Kshs	Kshs	Kshs
<b>Grants Received from Bilateral Donors (Foreign Governments)</b>							
AfDB	2018/2019	321,451	-	46,080,249			
AfDB	2019/2020	77,045	-	11,044,432	-		11,044,432
AfDB	2020/2021	183,536		26,309,937		26,309,937	
<b>Grants Received from Multilateral Donors (International Organisations)</b>							
Insert name of international organization	N/A	N/A	N/A	N/A	N/A		N/A
<b>Grants Received from Local Individuals and organisations</b>							
Insert name of individual or local organization	N/A	N/A	N/A	N/A	N/A		N/A
<b>Total</b>		<b>582,032</b>	<b>-</b>	<b>83,434,618</b>	<b>-</b>	<b>26,309,937</b>	<b>11,044,432</b>

**Kenya Towns Sustainable Water Supply and Sanitation Program**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11.3 LOAN FROM EXTERNAL DEVELOPMENT PARTNERS**

During the 12 months to 30 June 2021, we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in Kshs	
					2020/21	2019/20
<b>Loans Received from Bilateral Donors (Foreign Governments)</b>		UA	Kshs	Kshs	Kshs	Kshs
African Development Bank-AWWDA	2018/2019	6,439,522	0	923,109,290		
African Development Bank-AWWDA	2019/2020	1,446,358	0	207,336,339		207,336,339
African Development Bank-AWWDA	2020/2021	6,282,894	0	900,656,646	900,656,646	
<b>Grants Received from Multilateral Donors (International Organizations)</b>						
N/A	0	0	0	0		0
<b>Total</b>		<b>14,168,774</b>	<b>0</b>	<b>2,031,102,275</b>	<b>900,656,646</b>	<b>207,336,339</b>

**11.3.1 Loan from external partners-TAWWDA**

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in Kshs	
					2020/2021	2019/20
<b>Loans Received from Bilateral Donors (Foreign Governments)</b>		UA	Kshs	Kshs	Kshs	Kshs
African Development Bank-TAWWDA	2018/2019	269,888	0	38,688,548		
African Development Bank-TAWWDA	2019/2020	5,240,030	0	751,161,415		751,161,415
African Development Bank-TAWWDA	2020/2021	2,113,612		302,987,612	302,987,612	
<b>Grants Received from Multilateral Donors (International Organizations)</b>						
N/A	0	0	0	0		-
<b>Total</b>		<b>7,623,530</b>	<b>0</b>	<b>1,092,837,574</b>	<b>302,987,612</b>	<b>751,161,415</b>

**Kenya Towns Sustainable Water Supply and Sanitation Program**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**11.3.2 Loan from external partners-CWWDA**

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in Kshs	
					2020/2021	2019/2020
<b>Loans Received from Bilateral Donors (Foreign Governments)</b>		UA	Kshs	Kshs		Kshs
African Development Bank-CWWDA	2018/2019	762,864	0	109,356,994		
African Development Bank-CWWDA	2019/2020	474,526	0	68,023,561		68,023,561
African Development Bank-CWWDA	2020/2021	991,299	0	142,103,288	142,103,288	
<b>Grants Received from Multilateral Donors (International Organisations)</b>						
N/A	0	0	0	0		0
<b>Total</b>		<b>2,228,689</b>	<b>0</b>	<b>319,483,844</b>	<b>142,103,288</b>	<b>68,023,561</b>

**11.3.3 Loan from external partners-WASREB**

The project has not had disbursements related to WASREB activities

**11.3.4 Loan from external partners-WRA**

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in Kshs	
					2020/2021	2019/2020
<b>Loans Received from Bilateral Donors (Foreign Governments)</b>		UA	Kshs	Kshs	Kshs	Kshs
African Development Bank-WRA	2020/2021	138,560	0	19,862,628	19,862,628	
<b>Grants Received from Multilateral Donors (International Organizations)</b>						
N/A	0	0	0	0		0
<b>Total</b>		<b>138,560</b>	<b>0</b>	<b>19,862,628</b>	<b>19,862,628</b>	<b>0</b>

**11.4 MISCELLANEOUS RECEIPTS**

The project did not have any miscellaneous receipts during the reporting period

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**11.5 COMPENSATION OF EMPLOYEES**

The project is implemented by AWWDA staff and therefore no staff compensation was drawn from the proceeds of the loan

**11.6 PURCHASE OF GOODS AND SERVICES AWWDA**

	2020/2021			2019/2020	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	-		0	-	0
Communication, supplies and services	-		0	-	10,653,385
Domestic travel and subsistence	7,177,122		7,177,122	2,483,005	11,373,232
Foreign travel and subsistence	-		-	1,074,018	2,696,858
Printing, advertising and – information supplies & services	10,260		10,260	3,808,917	19,144,162
compensation & community sensitization	4,977,832		4,977,832	10,767,828	17,017,080
Training payments	-		-	116,000.00	116,000
Hospitality supplies and services	-		-	510,840	823,930
Insurance costs	-		-	-	0
Specialised materials and services	-		-	-	572,400
Supply of non-revenue water equipment	7,769,102	129,230,576	136,999,679		136,999,679
Panel of experts		8,201,453	8,201,453	11,703,130	21,009,854
<b>Total</b>	<b>19,934,316</b>	<b>137,432,030</b>	<b>157,366,346</b>	<b>30,463,738</b>	<b>220,406,580</b>

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**11.6.1 PURCHASE OF GOODS AND SERVICES TAWWDA**

	2020/2021			2019/2020	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Consultancy for Oloolotikosh-Kitengela - Kajiado water supply and sanitation project	0	26,309,937	26,309,937	11,044,432	83,434,618
Feasibility study, detailed design and tender documentation for Mwanja/Miwongoni	0	0	0	27,585,000	41,377,500
Consultancy Services for Carrying out Feasibility Studies for proposed Ongata Rongai, Ngong and Mavoko Sewerage Infrastructure Project in Tanathi Water Works Development Agency Area	0	11,181,630	11,181,630		20,499,655
Supply and Delivery of Laboratory Equipment For Tanathi Water Works Development Agency and Water Resource Authority in 2 Lots	0	9,592,800	9,592,800		9,592,800
Supply of non-revenue water equipment	0	11,114,305	11,114,305		11,114,305
Exchange rate losses/gains (net)				-	
<b>Total</b>	<b>0</b>	<b>58,198,672</b>	<b>58,198,672</b>	<b>38,629,432</b>	<b>166,018,878</b>

**11.6.2 PURCHASE OF GOODS AND SERVICES-CWWDA**

	2020/2021			2019/2020	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Purchase of non-revenue water equipment	0	5,224,569	5,224,569	0	5,224,569
Exchange rate losses/gains (net)				-	0
<b>Total</b>	<b>0</b>	<b>5,224,569</b>	<b>5,224,569</b>	<b>0</b>	<b>5,224,569</b>

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**11.6.3 PURCHASE OF GOODS AND SERVICES-WRA**

	2020/2021			2019/2020	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Consultancy Services for Development Management Plans for Selected Areas & capacity Building for Water Resources Authority		7,316,280	7,316,280	0	7,316,280
Supply and Delivery of Laboratory Equipment For Water Resource Authority Lot 2		12,546,348	12,546,348	0	12,546,348
Exchange rate losses/gains (net)				-	-
<b>Total</b>	<b>0</b>	<b>19,862,628</b>	<b>19,862,628</b>	<b>0</b>	<b>19,862,628</b>

**11.7 SOCIAL SECURITY BENEFITS**

There was no social security benefit cost relating to the project in the reporting period

**11.8 ACQUISITION OF NON-FINANCIAL ASSETS-AWWDA**

	2020/2021			2019/2020	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Construction of civil works		679,514,557	679,514,557	143,256,567	1,674,015,188
Purchase of office equipment				15,821,483	15,821,483
Purchase, installation and operationalization of the ERP system		15,517,241	15,517,241	27,931,035	43,448,276
Research, studies, project preparation, design & supervision		68,192,818	68,192,818	8,624,125	148,682,169
<b>Total</b>	<b>0</b>	<b>763,224,616</b>	<b>763,224,616</b>	<b>195,633,210</b>	<b>1,881,967,116</b>

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**11.8.1 Acquisition of non-financial assets-TAWWDA**

	2020/2021			2019/2020	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Construction of civil works	0	246,533,854	246,533,854	671,471,365	995,006,316
Purchase, installation and operationalization of the ERP system	0	7,112,068	7,112,068	24,500,000	31,612,068
Research, studies, project preparation, design & supervision	0	17,452,956	17,452,956	27,605,049	69,954,053
<b>Total</b>	<b>0</b>	<b>271,098,877</b>	<b>271,098,877</b>	<b>723,576,414</b>	<b>1,096,572,436</b>

**11.8.2 Acquisition of non-financial assets-CWWDA**

	2020/2021			2019/2020	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Construction of civil works	0	112,543,720	112,543,720	54,043,561	264,844,275
Research, studies, project preparation, design & supervision	0	24,335,000	24,335,000	13,980,000	49,415,000
<b>Total</b>	<b>0</b>	<b>136,878,720</b>	<b>136,878,720</b>	<b>68,023,561</b>	<b>314,259,275</b>

**11.9 TRANSFERS TO OTHER GOVERNMENT ENTITIES**

During the 12 months to 30 June 2021, there were no transfers made to other agencies however, the Kenya Towns Project-Athi cluster is administratively managed by AWWDA on behalf of TAWWDA, CWWDA, WASREB and WRA. The budget is thus domiciled at AWWDA, the project management and payments processing are done by the individual agencies. All the payments under the project are AIA in nature and the respective agencies are responsible for processing payment certificates for onward submission to AfDB for payment.

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**11.10 OTHER GRANTS AND TRANSFERS AND PAYMENTS**

The project did not make transfers to any other entity in the period under review

**11.11 CASH AND CASH EQUIVALENTS CARRIED FORWARD**

	2020-2021	2019-2020
	Kshs	Kshs
Bank accounts (Note 11.11A)	358,957,351	253,891,667
Cash in hand (Note 11.11B)	-	-
Cash equivalents (short-term deposits) (Note 11.11C)	-	-
<b>Total</b>	<b>358,957,351</b>	<b>253,891,667</b>

The reported cash balances comprise of GoK contribution to the project and is managed through AWWDA's development fund account. To enhance accountability, fund accountability is maintained for each project whose funds are managed through the same account. The project does not have a foreign currency account because the donor component is disbursed wholly as direct payments.

**11.11A Bank Accounts**

**Project Bank Accounts**

	2020/2021	2019/2020
	Kshs	Kshs
<b>Foreign Currency Accounts</b>		
N/A	-	-
<b>Total Foreign Currency balances</b>	<b>=</b>	<b>=</b>
<b>Local Currency Accounts</b>		
Co-operative Bank of Kenya [A/c No 01141084618501]	358,957,351	253,891,667
<b>Total local currency balances</b>	<b><u>358,957,351</u></b>	<b><u>253,891,667</u></b>
<b>Total bank account balances</b>	<b><u>358,957,351</u></b>	<b><u>253,891,667</u></b>

*The project funds are all held in the development fund account held at Co-operative bank of Kenya and to enhance accountability for the specific GoK contribution to the project a fund accountability statement has been maintained by the project*

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**Special Deposit Accounts**

The project does not have a special deposit account since all payments are done as direct payments.

**11.11B Cash in Hand**

There was no cash in hand relating to the project as at 30<sup>th</sup> June 2021

**11.11C Cash equivalents (short-term deposits)**

There were no short term deposits relating to the project as at 30<sup>th</sup> June 2021

**11.12 ACCOUNTS RECEIVABLES**

The project did not have any account receivables as at 30<sup>th</sup> June 2021

**11.12B Breakdown of imprests and advances**

There were no un-surrendered imprests or other advances relating to the project as at 30<sup>th</sup> June 2021

**11.13 ACCOUNTS PAYABLES**

The Project did not have account payable except retention monies for works as detailed by the table below:

<b>RETENTION BALANCES</b>			
<b>Supplier of Goods or Services</b>	<b>Retention amount as at 30/6/2021</b>	<b>Retention amount as at 30/6/2020</b>	<b>Change in Retention</b>
<b>Construction of civil works-AWWDA</b>			
Construction of Kikuyu Water and Sewerage Project	22,318,813.03	5,961,888.64	16,356,924.39
Construction of Limuru Water and Sewerage Projects	20,374,182.34	7,197,896.16	13,176,286.18
Construction of Kiambu and Ruaka Water and Sewerage projects	27,002,338.15	2,757,611.55	24,244,726.60
Construction of Gatundu Water Supply and Sewerage Project	29,936,967.00	-	29,936,967.00
Construction of Makutano Water Supply and Sewerage Project	2,967,663.60	-	2,967,663.60
<b>Subtotal Retention AWWDA</b>	<b>102,599,964.12</b>	<b>15,917,396.35</b>	<b>86,682,567.77</b>
<b>Construction of civil works-TAWWDA</b>			
Construction of Machakos Sewerage Works	8,836,198.62	-	8,836,198.62
Mwala Cluster Water Supply Works Project	1,948,630.31	-	1,948,630.31
Construction of Machakos Water Works	3,009,655.48	-	3,009,655.48
Construction works for Kitui and Matuu Towns Last mile connectivity	10,511,965.05	-	10,511,965.05
<b>Subtotal Retention TAWWDA</b>	<b>24,306,449.46</b>	<b>-</b>	<b>24,306,449.46</b>
<b>Construction of civil works-CWWDA</b>			
Construction of Changamwe repooling Water Works	-	3,546,622.44	- 3,546,622.44
Construction of Pemba Intake and Treatment Works Project	8,711,992.81	2,458,217.64	6,253,775.17
Construction of water distribution works for Malindi Water and Sewerage Company	2,611,875.42	-	2,611,875.42
<b>Subtotal Retention CWWDA</b>	<b>11,323,868.23</b>	<b>6,004,840.08</b>	<b>5,319,028.15</b>
<b>Total Retentions</b>	<b>138,230,281.81</b>	<b>21,922,236.43</b>	<b>116,308,045.38</b>

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**FUND BALANCE BROUGHT FORWARD**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	253,891,667	10,152,275
Cash in hand	0	0
Cash equivalents (short-term deposits)	0	0
Outstanding imprests and advances	0	0
<b>Total</b>	<b>253,891,667</b>	<b>10,152,275</b>

**11.14 PRIOR YEAR ADJUSTMENT**

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2021.

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**11.15 CHANGES IN RECEIVABLE**

The project did not have prior year relating to account receivables.

**11.16 CHANGES IN ACCOUNTS PAYABLE**

The project did not have prior year relating to account payables.

**12. OTHER IMPORTANT DISCLOSURES**

**12.1 PENDING ACCOUNTS PAYABLE (See Annex 3A)**

The project did not have pending bills, however the value of unpaid commitments were as detailed by the table below:

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
<b>AWWDA</b>				
Construction of civil works	3,261,719,683	689,651,518	679,514,557	3,271,856,644
Supply of goods	242,566,290		144,747,818	97,818,472
Supply of services	265,672,762	74,115,000	68,192,818	271,594,944
<b>Total</b>	<b>3,769,958,735</b>	<b>763,766,518</b>	<b>892,455,193</b>	<b>3,641,270,060</b>
<b>TAWWDA</b>				
Construction of civil works	2,682,979,678		246,533,854	2,436,445,824
Supply of goods	29,379,310	9,592,800	7,112,068	31,860,042
Supply of services	287,072,257	37,272,100	17,452,956	306,891,401
<b>Sub-total TAWWDA</b>	<b>2,999,431,245</b>	<b>46,864,900</b>	<b>271,098,877</b>	<b>2,775,197,268</b>
<b>CWWDA</b>				
Construction of civil works	338,984,415	218,650,718	112,588,463	445,046,670
Supply of goods	0	25,968,788		25,968,788
Supply of services	55,920,000	31,375,000	24,335,000	62,960,000
<b>Subtotal CWWDA</b>	<b>394,904,415</b>	<b>275,994,506</b>	<b>136,923,463</b>	<b>533,975,458</b>
<b>WRA</b>				
Supply of goods	0	24,261,156	10,978,700	13,282,456
Supply of services	0	12,193,800	7,316,280	4,877,520
<b>Sub-total WRA</b>	<b>0</b>	<b>36,454,956</b>	<b>18,294,980</b>	<b>18,159,976</b>
				-
<b>WASREB</b>				
Supply of goods	0	6,641,228	-	6,641,228
Supply of services				-
<b>Sub-Total WASREB</b>	<b>0</b>	<b>6,641,228</b>	<b>-</b>	<b>6,641,228</b>

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**12.2 PENDING STAFF PAYABLES (See Annex 3B)**

The project did not have any payables relating to staff costs

**12.3 OTHER PENDING PAYABLES (See Annex 3C)**

During the year under review the project did not have other pending payables

**12.4 External Assistance**

During the year under review, the project did not get any external assistance

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**13. PROGRESS ON FOLLOW UP OF PRIOR YEAR 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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Other Matter 1. Budget Control and Performance	<p>The statement of comparative budget and actual amounts reflects final receipts and budget actuals of Kshs 1,650,000,000 and Kshs 1,300,065,745 respectively resulting in underfunding of Kshs 349,934,255 or 21% of the budget. Further, out of the budgeted amount of Kshs 1,650,000,000, only Kshs 1,056,326,353 resulting to under absorption of Kshs 593,673,647 representing 36% of the estimated expenditure</p> <p>The under expenditure of the approved budget indicates that some activities and projects in the annual work plan were not implemented which is likely to have impacted negatively on the service delivery to the public</p>	<p>We concur with the observation that out of an allocated budget of 1.65 billion we received Kshs 1,300,065,745. The variance resulted from low disbursements occasioned by slow progress of work, the late rejection of award for Makutano Project and the late receipt of the 4th quarter GoK counterpart. The linkage between disbursements and receipts is because the project is fully financed through direct payments other than GoK counterpart.</p> <p>The slow progress of works occasioned by delays in master list approvals and the late decline of award for Makutano water project by the winning evaluated bidder. The contractor who had been awarded the contract cited the tough conditions brought about by the COVID19 pandemic as the reason why they declined to undertake the works. The letter of withdrawal from the contractor also came late (2nd June 2020) into the financial year to enable a downward budgetary review. Inability to pay for GoK counterpart land compensation monies for Machakos Water Supply project occasioned by the court cases.</p>	<p>Michael Kimotho  - The Chief Manager, Finance and Strategy</p>	<p>Resolved</p>	<p>Resolved</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>The causes of low budget absorption were resolved as follows:</p> <p>(i) All the master lists related specific exemption delays have since been resolved</p> <p>(ii) The Land issues have since been resolved and the Machakos water project is on course.</p> <p>However, budgetary absorption is dependent on the progress of works because the project is wholly direct payment in nature.</p> <p>We therefore confirm that budgetary under-performance is not likely to negatively impact service delivery to the public and that the projects under the Kenya Towns Project will be able to deliver the intended benefits</p>			
Pending Bills	<p>According to Note 10.1 to the financial statements the project had pending accounts payable totalling to Kshs 7,164,294,394 92019: Kshs 7,066,342,010) as at 30 June 2020. During the year under review, the project management made payments totalling Kshs 1,037,565,746 while accumulating bills totalling to Kshs 1,135,528,130. Management has not</p>	<p>The project did not have any actual pending bills. The additional amount of Kshs 1,135,528,130 relates to new contracts signed during the year and not actual certified work because it is a calculation of the contract amounts net of payments done during the year.</p> <p>We confirm that the project is at no risk of incurring interest and penalties as there were</p>	<p>Michael Kimotho                      - The Chief Manager, Finance and Strategy</p>	Resolved	Immediate

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>explained why the bills were not settled during the financial year in which they occurred. The project is at risk of incurring significant interest costs and penalties with their continued delay in payment. Failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge</p>	<p>no delays in payment for certified works. The management commits to continue paying for</p>			

  
\_\_\_\_\_  
Chief Executive Officer



\_\_\_\_\_  
Project Coordinator

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**14. ANNEXES**

**ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

Receipts/Payments Item	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
<b>Receipts</b>					
Transfer from Government entities	125,000,000	125,000,000	-	100%	Within Budget
Proceeds from domestic and foreign grants TAWWDA	100,000,000	26,309,937	73,690,063	26%	The consultant was yet to attain the required milestones by the end of the financial year
Proceeds from borrowings	1,700,000,000	1,365,610,174	334,389,826	80%	Within Budget
Miscellaneous receipts	-	-	-	0%	
<b>Sub-Total Receipts for Athi cluster</b>	<b>1,925,000,000</b>	<b>1,516,920,111</b>	<b>408,079,889</b>	<b>79%</b>	
<b>Payments</b>					
Purchase of goods and services	335,000,000	240,652,215	94,347,785	72%	The variance is attributable to the fact that the consultant for the grant component did not attain the required milestone by the end of the financial year
Acquisition of non-financial assets	1,590,000,000	1,171,246,957	418,753,043	74%	There was slow progress in the attainment of the planned milestones in Mwala, Changamwe and Machakos water contracts because of slow progress by contractors and land acquisition issues
<b>Total Payments</b>	<b>1,925,000,000</b>	<b>1,411,899,171</b>	<b>513,100,829</b>	<b>73%</b>	

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**ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS**

<b>PROJECT NAME:</b>		<b>Kenya Towns Sustainable Water Supply and Sanitation Program</b>	
<b>Break down of Transfers from the Ministry of Water, Sanitation and Irrigation</b>			
<b>a.</b>	<b>Government Counterpart Funding</b>		
	<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
	17/09/2020	125,000,000	2020/2021
	<b>Total</b>	<b>125,000,000</b>	
<b>b.</b>	<b>Direct Payments</b>		
	<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
	N/A	1,391,920,111	2020/2021
	<b>Total</b>	<b>1,391,920,111</b>	
<b>c.</b>	<b>Others</b>		
	<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
	N/A	N/A	
	<b>Total</b>	<b>0</b>	
	<b>TOTAL(a+b+c)</b>	<b>1,516,920,111</b>	

The above amounts have been communicated to and reconciled with the parent Ministry/ state department

Project Coordinator  
 Athi Water Works Development Agency



Sign -----

Head of Accounting Unit  
 Ministry of Water, Sanitation and Irrigation



Sign -----

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**ANNEX 3A - ANALYSIS OF PENDING BILLS**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
	a	b	c	d=a-c		
<b>Pending Bills AWWDA</b>						
<b>Construction of civil works</b>						
Construction of Kikuyu Water and Sewerage Project	635,993,482	12-Sep-18	296,071,535	339,921,947	455,137,788	Contract on course
Construction of Limuru Water and Sewerage Projects	576,508,513	30-Oct-18	273,262,741	303,245,772	396,425,745	Contract on course
Construction of Kiambu and Ruaka Water and Sewerage projects	1,292,917,543	30-Oct-18	497,791,262	795,126,281	1,009,515,530	Contract on course
Construction of Gatundu Water Supply and Sewerage Project	1,750,800,775	22-Nov-18	625,489,751	1,125,311,024	1,400,640,619	Contract on course
Construction of Makutano Water Supply and Sewerage Project	689,651,518	23-Jul-20	130,156,700	559,494,818	-	Contract on course
<b>Sub-Total-AWWDA</b>	<b>4,945,871,831</b>		<b>1,822,771,988</b>	<b>3,123,099,842</b>	<b>3,261,719,682</b>	
<b>Supply of goods</b>						
ERP for AWWDA	51,724,138	22-Feb-19	43,448,276	8,275,862	23,793,103	Contract on course
Office equipment AWWDA	15,821,483	09-Dec-19	15,821,483	-	0	Contract complete
Supply and delivery of 3 No. vehicle mounted sewer flushing units	73,203,737	09-Dec-19	-	73,203,737	73,203,737	Contract on course
Supply and delivery of Non Revenue Water management equipment	145,569,450	13-Mar-20	145,569,450	-	145,569,450	Contract complete
				-	0	
<b>Sub-Total</b>	<b>286,318,808</b>		<b>204,839,208</b>	<b>81,479,599</b>	<b>242,566,290</b>	
<b>Supply of services</b>						
Consultancy Services for Design Review and Supervision of Gatundu Water Supply and Sewerage Project	102,580,770	18-Jul-17	14,300,568	88,280,202	94,072,050	Contract on course
Consultancy Services for Design Review and Supervision of Limuru and Kikuyu Water Supply and Sewerage Project	101,718,526	31-Jul-17	65,684,942	36,033,584	72,103,173	Contract on course
Consultancy Services for Design Review and Supervision of Kiambu and Ruaka Water supply and Sewerage Project	96,585,695	22-Aug-17	54,811,942	41,773,753	70,225,342	Contract on course

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
	a	b	c	d=a-c		
Consultancy Services for Design Review and Supervision of Makutano water and sanitation project	74,115,000	16-Jul-20	9,569,000	64,546,000		Contract on course
<b>Dam experts</b>						
MS. Lijiana Spasic-Principal/chair	16,675,409	07-Oct-19	10,349,897	6,325,512	10,499,582	Contract on course
Mr. Ioannis Karavokyris	9,755,996	07-Oct-19	4,279,513	5,476,484	7,542,147	Contract on course
Dr. George T. Dounias	9,786,026	07-Oct-19	4,483,314	5,302,712	7,556,163	Contract on course
Angelina Nduta Mwendu	4,757,895	07-Oct-19	1,767,806	2,990,089	3,674,305	Contract on course
				-		
				-		
				-		
<b>Sub-Total</b>	<b>415,975,317</b>		<b>165,246,981</b>	<b>250,728,336</b>	<b>265,672,762</b>	
<b>Grand Total</b>	<b>5,648,165,955</b>		<b>2,192,858,178</b>	<b>3,455,307,778</b>	<b>3,769,958,734</b>	

Pending bills TAWWDA						
Construction of civil works-TAWWDA						
Construction of machakos Sewerage Works	840,476,577	08-Mar-19	299,680,243	540,796,334	671,334,358	Contract on course
Mwala Cluster Water Supply Works Project	583,332,779	14-Dec-18	134,204,229	449,128,550	466,666,223	Contractor has abandoned site
Construction of machakos Water Works	1,070,693,554	14-Dec-18	241,284,613	829,408,942	857,020,590	Contract on course
Construction works for Kitui and Matuu Towns Last mile connectivity	859,948,134	18-Sep-19	283,553,575	576,394,560	687,958,507	Contract on course
<b>Sub-Total-TAWWDA</b>	<b>3,354,451,044</b>		<b>958,722,659</b>	<b>2,395,728,386</b>	<b>2,682,979,678</b>	
<b>Supply of goods-TAWWDA</b>						
ERP for TAWWDA	53,879,310	03-Jun-19	31,612,069	22,267,241	29,379,310	Contract on course

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Supply and delivery of Lab equipment	9,592,800	05-Mar-20	9,592,800	-	-	Contract complete, balance not payable
<b>Sub-Total</b>	<b>63,472,110</b>		<b>41,204,869</b>	<b>22,267,241</b>	<b>29,379,310</b>	
<b>Supply of Services-TAWWDA</b>						
Consultancy services for design and supervision of Mwala cluster water and sanitation	78,000,000	02-Feb-18	34,479,120	43,520,880	43,520,880	Contract on course
Consultancy services Machakos water and sewerage works	94,112,500	07-Feb-18	9,306,324	84,806,176	84,743,035	Contract on course
Consultancy Services for Design Review and Supervision of Kitui and Matuu Towns Last mile connectivity for Water Supply and Sanitation Works	71,060,500	10-Jun-19	25,159,500	45,901,000	62,407,989	Contract on course
Consultancy services for feasibility Studies, Preliminary Designs and Detailed Designs for Mwanja/Miwongoni Dam project	91,950,000	19-Jun-18	41,377,500	50,572,500	50,572,500	Contract on course
Consultancy for Ololotikosh-Kitengela - Kajjado water supply and sanitation project	102,952,533	21-Dec-17	82,362,027	20,590,506	45,827,853	Contract on course
Consultancy Services for Carrying out Feasibility Studies for proposed Ongata Rongai, Ngong and Mavoko Sewerage Infrastructure Project in Tanathi Water Works Development Agency Area	37,272,100	21-Apr-20	20,499,655	16,772,445		Contract on course
<b>Sub-Total</b>	<b>475,347,633</b>		<b>213,184,125</b>	<b>262,163,508</b>	<b>287,072,257</b>	
<b>Grand total TAWWDA</b>	<b>3,893,270,788</b>	-	<b>1,213,111,653</b>	<b>2,680,159,135</b>	<b>2,999,431,245</b>	<b>0</b>
<b>Pending Bills</b>						
<b>Construction of civil works-CWWDA</b>						
Construction of changamwe repooling water works	204,483,295	30-Oct-18	72,816,261	131,667,034	131,667,034	Contract on course
Construction of Pemba Intake and Treatment works Project	286,801,675	31-Oct-18	135,768,271	151,033,404	207,317,381	Contract on course
Construction of water distribution works for Malindi water and Sewerage Company	218,650,718	03-Jul-20	56,304,486	162,346,232		Contract on course
<b>Sub-Total-CWWDA</b>	<b>709,935,688</b>		<b>264,889,019</b>	<b>445,046,669</b>	<b>338,984,415</b>	<b>0</b>

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
<b>Supply of Services-CWWDA</b>						
Consultancy Services for Design Review and Supervision of Pemba and Changamwe re-pooling Water supply and Sewerage Project	81,000,000	18-Jul-17	39,060,000	41,940,000	55,920,000	Contract on course
Consultancy Services for Design Review and Supervision for Construction of Water Distribution Works for Malindi Water and Sewerage Company - Watamu Lot 2A Works	31,375,000	07-Feb-20	10,355,000	21,020,000		Contract on course
<b>Sub-Total services CWWDA</b>	<b>112,375,000</b>		<b>49,415,000</b>	<b>62,960,000</b>	<b>55,920,000</b>	
<b>Supply of Goods-CWWDA</b>						
Supply and Delivery of 1 Double Cabin Pickup	5,087,719	15-Oct-20	-	5,087,719		Contract on course
Supply and Delivery of Lab equipment	20,881,069	03-Jul-20	-	20,881,069		Contract on course
<b>Sub-Total</b>	<b>25,968,788</b>		<b>-</b>	<b>25,968,788</b>	<b>-</b>	
<b>Grant Total- CWWDA</b>	<b>848,279,476</b>		<b>314,304,019</b>	<b>533,975,458</b>	<b>394,904,415</b>	
<b>Supply of Goods-WRA</b>						
Supply and Delivery of Laboratory Equipment For Water Resource Authority Lot 2	10,978,700	05-Mar-20	10,978,700	-		Contract Complete
Supply and Delivery of 2 Heavy Duty Utility Passenger Vehicles	13,282,456	15-Oct-20	-	13,282,456		Contract on Course
<b>Supply of services -WRA</b>	<b>24,261,156</b>		<b>10,978,700</b>	<b>13,282,456</b>	<b>-</b>	
Consultancy Services for Development Management Plans for Selected Areas & capacity Building for Water Resources Authority	12,193,800	18-Mar-20	7,316,280	4,877,520		Contract on Course
<b>Subtotal WRA</b>	<b>12,193,800</b>		<b>7,316,280</b>	<b>4,877,520</b>	<b>-</b>	

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<b>Supply of Goods -WASREB</b>						
Supply and Delivery of 1 Heavy Duty Utility Passenger Vehicle	6,641,228	15-Oct-20	-	6,641,228		Contract on Course
<b>Subtotal WASREB</b>	<b>6,641,228</b>		<b>-</b>	<b>6,641,228</b>	<b>-</b>	
<b>Grand Total</b>	<b>10,408,551,247</b>		<b>3,727,590,129</b>	<b>6,680,961,118</b>	<b>7,164,294,394</b>	

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**ANNEX 3B - ANALYSIS OF PENDING STAFF BILLS**

The project did not have any pending staff bills because the project team comprises AWWDA staff and all their costs are paid by the institution.

**ANNEX 3C - ANALYSIS OF OTHER PENDING PAYABLES**

The project did not have any other pending payables

**ANNEX 4 – SUMMARY OF FIXED ASSETS REGISTER**

Asset class	Opening Cost (Kshs) 2020/2021 (a)	*Purchases/Additions in the Year (Kshs) 2020/2021 (b)	**Disposals in the Year (Kshs) 2020/2021 (c)	Transfers in/(out) Kshs 2020/2021 (d)	Closing Cost (Kshs) 2020/2021 (e)= (a)+ (b)-(c)+(-)d
<b>AWWDA</b>					
Office equipment	15,821,483	0	0	0	15,821,483
Work in Progress	1,102,921,016	763,224,616	0	0	1,866,145,632
<b>Total</b>	<b>1,118,742,499</b>	<b>763,224,616</b>	<b>0</b>	<b>0</b>	<b>1,881,967,115</b>
<b>TAWWDA</b>	<b>0</b>				<b>0</b>
Work In Progress	748,472,462	271,098,877	0	0	1,019,571,339
<b>Sub-total TAWWDA</b>	<b>748,472,462</b>	<b>271,098,877</b>	<b>-</b>	<b>-</b>	<b>1,019,571,339</b>
	0				0
<b>CWWDA</b>	<b>0</b>				<b>0</b>
Work in Progress	177,380,555	136,923,463	0	0	314,304,018
<b>sub-total CWWDA</b>	<b>177,380,555</b>	<b>136,923,463</b>	<b>-</b>	<b>-</b>	<b>314,304,018</b>
<b>Grand Total Athi Cluster</b>	<b>2,044,595,517</b>	<b>1,171,246,957</b>	<b>-</b>	<b>-</b>	<b>3,215,842,473</b>

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**ANNEX 5 – CONTINGENT LIABILITIES REGISTER**

	Nature of contingent liability	Payable to	Estimated Amount Kshs	Expected date of payment	Remarks
1	N/A	N/A	N/A	N/A	N/A
2					