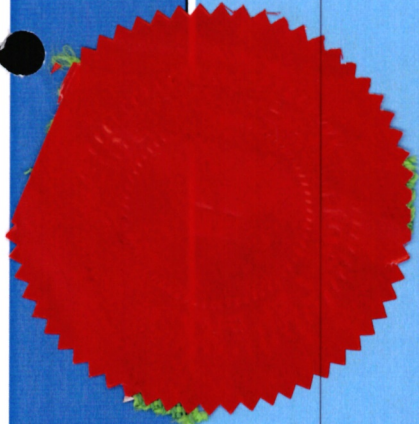
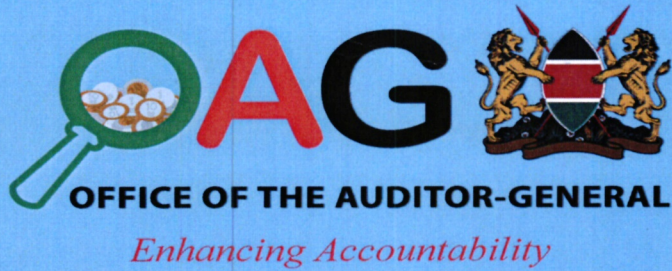


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REPORT

OF

THE AUDITOR-GENERAL

ON

**CENTRAL RIFT VALLEY WATER
WORKS DEVELOPMENT AGENCY**

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





CENTRAL RIFT VALLEY WATER WORKS DEVELOPMENT AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE, 2022



Construction of Ol Kalou Water and Sewerage Project, water treatment component

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

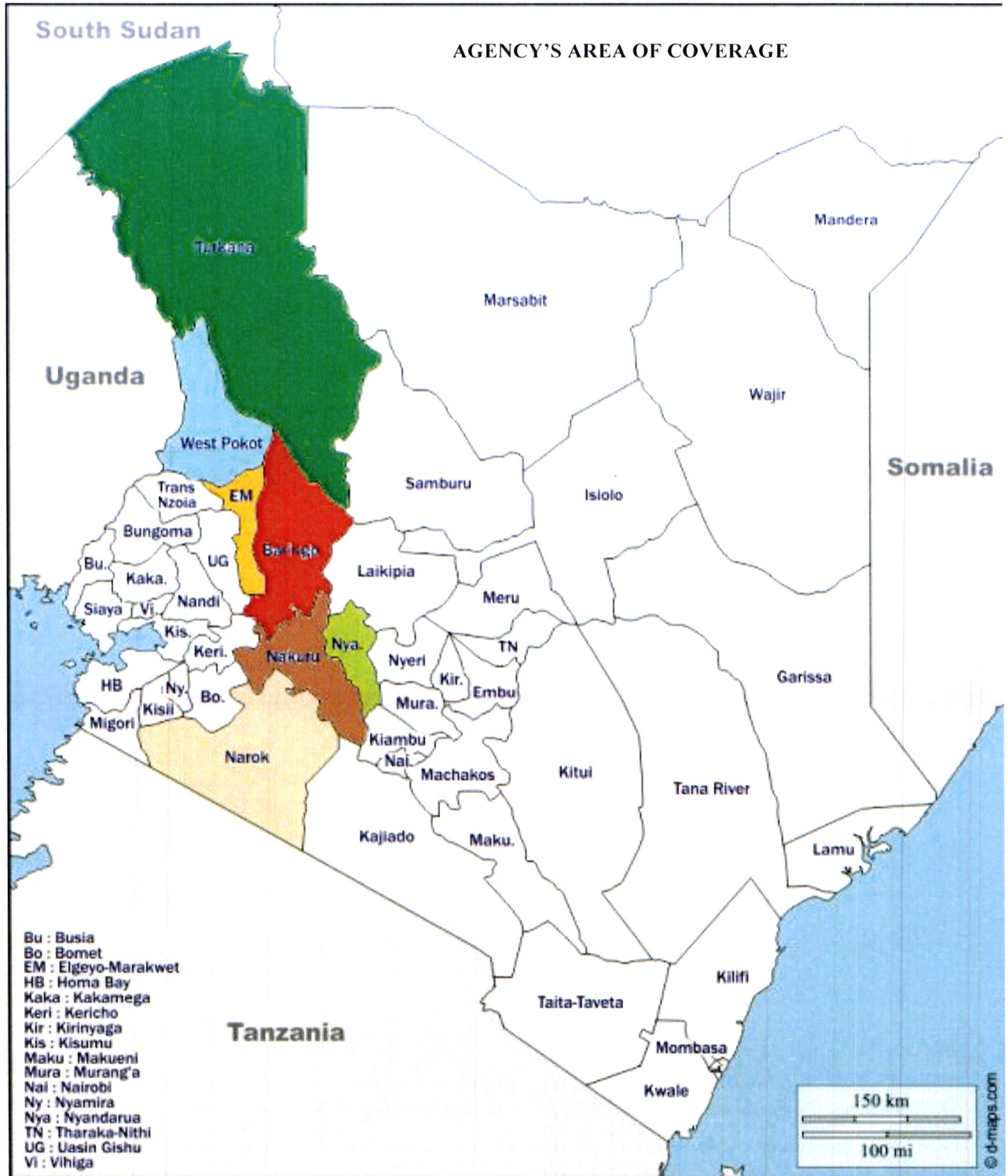




TABLE OF CONTENTS

I.	KEY ENTITY INFORMATION AND MANAGEMENT	1
II.	THE BOARD OF DIRECTORS	3
III.	MANAGEMENT TEAM	6
IV.	CHAIRMAN'S STATEMENT	8
V.	REPORT OF THE CHIEF EXECUTIVE OFFICER.....	10
VI.	STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2021/2022	20
VII.	CORPORATE GOVERNANCE STATEMENT	23
VIII.	MANAGEMENT DISCUSSION AND ANALYSIS	25
IX.	ENVIRONMENT AND SUSTAINABILITY REPORTING	30
X.	REPORT OF THE DIRECTORS	36
XI.	STATEMENT OF DIRECTORS' RESPONSIBILITIES.....	37
XII.	REPORT OF THE AUDITOR-GENERAL.	39
XIII.	STATEMENT OF FINANCIAL PERFORMANCE	40
XIV.	STATEMENT OF FINANCIAL POSITION.....	41
XIII	STATEMENT OF CHANGES IN NET ASSETS	42
XIV	STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022	43
XV	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	44
XVI	SIGNIFICANT ACCOUNTING POLICIES	45
XV.	NOTES TO THE FINANCIAL STATEMENTS	48
XVI.	APPENDIX 1: IMPLEMENTATION STATUS OF AUDITOR-GENERAL'S RECOMMENDATIONS.....	57
XVII.	APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY	59
XVIII.	APPENDIX III: INTER-ENTITY TRANSFERS -CONFIRMATION LETTER.....	61
XIX.	ANNEXES.....	i-vii



I. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The Central Rift Valley Water Works Development Agency is a body corporate established under the Water Act, 2016. It was established through the Legal Notice number 4 of 7th February 2020 to be responsible for development of public water works in the Five (5) Counties of Nakuru, Nyandarua, Baringo, Narok and Laikipia. The region has a population of 5,043,440 as per the 2019 National census. The Agency is governed by a Board of Directors headed by a chairperson, appointed by the Cabinet Secretary, Ministry of Water, Sanitation and Irrigation, while Management is headed by the Chief Executive Officer who is also the secretary to the Board of Directors.

This report also covers the three (3) Counties of Turkana, West Pokot and Elgeyo Marakwet, for the projects that were ongoing before re-arrangement by the MWSI for the Agency to exclude them and include Laikipia for better management.

The Agency is required to keep proper books of accounts of its income, expenditure, assets and liabilities. Further, it is required that accounts of the Agency shall be audited and reported in accordance with the Public Finance Management Act, 2012. This report is therefore made pursuant to the Public Finance Management Act, 2012 for the year ended 30th June 2022.

b) Principal Activities

The Agency develops and manages water services infrastructure and provides technical support to the County Governments in its area of jurisdiction and to the Cabinet Secretary in charge of Water Services. The Agency hands the completed water services infrastructure over to designated Water Services Providers for operating and day to day managing of water supply and sanitation services.

c) Key Management

The Agency is governed at policy level by a Board of Directors drawn from various Government Ministries and private sector representing a wide cross section of stakeholders within the Agency's area with a mix of skills, age, qualifications, gender and experience. A representative from Inspectorate of State Corporations also attends the meetings for advisory purposes. The day to day management is carried out by a management team headed by the Chief Executive Officer.



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

d) Fiduciary Management

The key management personnel who held office during the year ended 30th June, 2022 and who had direct fiduciary responsibility were:

1. Eng. Samuel K. Oruma Chief Executive Officer
2. CPA Douglas M. Kaibos General Manager - Corporate Services
3. Eng. Charles Murage Ag. General Manager – IDM
4. Ms Caren C Lagat Manager Legal Services
5. Mr William R Sakuda Manager Supplies Chain Management
6. CPA Solomon K Wambugu Manager Internal Audit

e) Fiduciary Oversight Arrangements

To ensure the efficient running of the Agency's operations, the Board of Directors have established Committees to meet and make recommendations to the Board who are mandated to provide policy direction for the entity on issues delegated to them. Each Committee has a Charter that guides its operations

f) Registered Office and Contact Address

Maji Plaza
Prisons Road, Off Nakuru-Eldama Ravine Highway
P O Box 2451-20100,

Nakuru

Telephone: (254) 51 2213 557/(254) 71 8313 557

E-mail: info@rvwsb.go.ke Website: www.rvwsb.go.ke

g) Bankers

Kenya Commercial Bank
Kenyatta Avenue Branch,
P O Box 18-20100

Nakuru

h) Independent Auditors

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

Nairobi.

i) Principal Legal Adviser



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

Nairobi.



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

II. THE BOARD OF DIRECTORS

Director's passport-size photo and name, and key profession/academic qualifications	A concise description of each Director. The date of birth, key qualifications and work experience, Indicating whether the director is independent or an executive director and which committee of the Board the director chairs where applicable.
<p>1.</p>  <p>Amb. Boniface Kamanga Muhia Deputy Ambassador and acting High Commissioner Uganda and Tanzania respectively Bachelor of Science in Marketing Diploma certificate Strategic Leadership Development Programme</p>	<ul style="list-style-type: none">➤ Born 1963➤ Non-executive Chairman of the Agency➤ Appointed 9th April 2021.
<p>2.</p>  <p>Mr Julius Kamau Muthanwa MBA Human Resource Management Bachelor of Laws (LLB) Diploma in Law Registered member LSK Advocate of the High Court</p>	<ul style="list-style-type: none">➤ Born 1967➤ Independent Director➤ Appointed 9th April 2021➤ Chair Finance and Human Resources Committee





Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

<p>3.</p>  <p>Eng. David N Kamau MSC Entrepreneurship Certified Professional Mediator BSC Agricultural Engineering Waste Water Management. Diploma Agricultural Engineering.</p>	<ul style="list-style-type: none">➤ Born 1964➤ Independent Director➤ Chair Technical Services Committee
<p>4.</p>  <p>Mrs Lorna T. Nkouwa Teacher by profession Business Lady</p>	<ul style="list-style-type: none">➤ Born 1959➤ Independent Director➤ Chair Audit and Governance Committee
<p>5.</p>  <p>Dr Cynthia Jerotich Kipchillat PhD International Business Administration MBA Post Graduate Diploma Business Administration BSc Hospitality & Tourism Management</p>	<ul style="list-style-type: none">➤ Born 1964➤ Independent Director➤ Appointed 9th April 2021➤ Chair Compliance, Strategy and Resource Mobilization Committee






Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

<p>6</p>  <p>Mr Henry Mutwiri</p> <ul style="list-style-type: none">➤ Alternate to the CS/The National Treasury MBA Finance Option Bcom (Business Administration)	<ul style="list-style-type: none">➤ Born 1971➤ Over 23 years career in public service➤ Currently Assistant Director Investment – The National Treasury.
<p>7</p>  <p>Mr Chrysostom Njeru</p> <ul style="list-style-type: none">➤ Alternate to the CS/Ministry of Water, Sanitation and Irrigation	<ul style="list-style-type: none">➤ Born 1979➤ Natural Resource conservationist➤ Experienced in public service➤ Currently serving as Senior Principal Finance Officer- Ministry of Water, Sanitation & Irrigation.
<p>8</p>  <p>Eng. Samuel K. Oruma</p> <p>MSc. Integrated Water Resource and Watershed Management Bsc. Civil Engineering Advanced Diploma in Planning and Management of Development Projects Diploma Water Engineering Registered member of EBK Corporate member MIEK</p>	<ul style="list-style-type: none">➤ Born 1973➤ Experienced in engineering and management.➤ Chief Executive Officer & Secretary to the Board.






Central Rift Valley Water Works Development Agency
 Report and Financial Statements
 For the year ended 30th June, 2022

III. MANAGEMENT TEAM

key manager's passport-size photo, and profession/academic qualifications	The main area of responsibility
<p>1</p>  <p>Eng. Samuel K. Oruma MSc. Integrated Water Resource and Watershed Management Bsc. Civil Engineering Advanced Diploma in Planning and Management of Development Projects Diploma Water Engineering Registered member of EBK Corporate member MIEK</p>	<p>➤ Chief Executive Officer</p>
<p>2</p>  <p>Eng. Charles Murage Bachelor of Technology, Civil Engineering Higher Diploma Water Engineering Diploma Water Engineering Registered with EBK- Graduate Engineer</p>	<p>➤ Ag. General Manager – IDM</p>
<p>3</p>  <p>CPA Douglas M. Kaibos MSc. (Project Planning & Management) Bachelor of Business Administration (Finance Option) Registered Member-ICPAK</p>	<p>➤ General Manager – Corporate Services</p>



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

<p>4</p>  <p>Ms Caren C. Lagat Bachelor of Laws (LLB) Diploma in Law Registered member LSK Advocate of the High Court</p>	<p>➤ Manager Legal Services</p>
<p>5</p>  <p>Mr William R. Sakuda Bachelor of Science MBA CPA Diploma in Purchasing & Supplies Registered member-KISM</p>	<p>Manager Supplies Chain Management</p>
<p>6</p>  <p>Mr Solomon K. Wambugu. MSC BCOM CPA Registered Member IIA, ICPAK, & ISACA</p>	<p>Manager Internal Audit</p>



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

IV. CHAIRMAN'S STATEMENT

On behalf of the Board, it gives me pleasure to present to you the Agency's Annual Report and the Financial Statements of the Central Rift Valley Water Works Development Agency for the year ended 30th June, 2022.

The agency has detailed initiatives and interventions geared towards planning, developing and delivering efficient and reliable water and sanitation infrastructure to the satisfaction of all stakeholders in line with our mandate.

The Agency continued to implement its mandate to contribute to the achievement of the Water Sector objectives in its area of jurisdiction. This is geared towards the achievement of the Kenya Vision 2030, the African Agenda 2064 and the United Nations Sustainable Development Goals Agenda through development and management of the water and sanitation services infrastructure.

The Constitution of Kenya recognizes access to water as a basic Human Right to all citizens. The Agency is aware that this presents a challenge to all players in the sector to effectively respond and play their roles. In this regard, the Agency has ensured that all its strategies are linked to Kenya Government's priorities as outlined in the Vision 2030, Medium Term Plans, the Big 4 Agenda, the annual approved budget, the Sector Performance Standards and other National policy documents.

This Report is distinctive in the sense that it marks the first year of the implementation of the Strategic Plan 2021-2026 thereby presenting a good opportunity to effectively deliver on the mandate by undertaking our activities in a structured manner. This also led to a review of several policy documents included are the Human Resources Management Policy & Procedures, Finance Policy and Procedures, Internal Audit Quality Assurance and Improvement Programme, Road safety mainstreaming, the Alcohol and Drug Abuse, among others. In addition, the year marked the implementation of the Enterprise resource planning to ease its operations.

The Agency signed the 18th cycle Performance Contract and implemented the targets which were set out. Included is the implementation of the Presidential Directives, Corporate Social Responsibility initiatives, in social welfare, environment conservation, education, sports and towards building capacity. Projects to be considered for future development were identified and the concept notes summaries done. As the World continued to battle the uncertainties with respect to effects of COVID-19 Pandemic, the Agency provided support to Government Business Continuity as part of the Coronavirus response measure by leverage on ICT



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

Among other challenges was the Kenya Revenue Authority had on several occasions frozen and withdrew funds budgeted for implementation of works and for payment of works already executed but certification at various stages of approval. This has negatively affected project implementation and brought about escalation on pending bills.

Further, the Agency on behalf of the MWSI acting on written instructions from 2019 to date, implemented some programmes whose funding have not been disbursed as indicated on the instructions.

The Agency in collaboration with the Ministry of Water, Sanitation & Irrigation, Development Partners and other Stakeholders have implemented various projects across its expansive area most of which is arid and semi-arid lands (ASAL). Efforts to provide portable water in these areas is a costly undertaking and requires increased budgetary allocations to ensure water coverage targets are met by all sector players. Accordingly, the Agency will continue implementing, monitoring and evaluation framework that tracks the implementation of the its corporate initiatives to achieve intended objectives.

Amb. Boniface Kamanga Muhia
Chairman

Date: 20/3/23



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

V. REPORT OF THE CHIEF EXECUTIVE OFFICER

The Water Act, 2016 in section 68 provides the functions of the Agency as follows:

1. Undertake development, maintenance and management of National Public Water Works;
2. Hand over the water works to designated Water Services Providers for operation and management;
3. Provide water services when ordered by the Regulatory Authority (Reserve Capacity of the National Government on Water Services Provision);
4. Provide technical and capacity building services to County Governments and Water Services Providers upon request; and
5. Provide technical support to the Cabinet Secretary.

In order to perform its new mandate, the Agency updated its Strategic Plan to enable smooth transition from the Water Act, 2002 to Water Act, 2016. It aimed at attaining the Sustainable Development Goals for the Water and Sanitation Sub-Sector through implementation of the Vision 2030 Water Projects and other Government priority projects.

The Strategic Plan also set out a framework to ensure a seamless handing over of water services provision to the respective County Governments.

The Agency's Strategic Plan has set six (6) strategic objectives as follows:

1. To mobilize and utilize Kshs. 243 Billion for development of water and sanitation infrastructure by 30th June 2026.
2. To develop prioritized infrastructure for enhanced access to water and sanitation services.
3. To develop and implement mechanisms for management of the developed water and sanitation infrastructure.
4. To continually improve internal capabilities for efficient service delivery.
5. To mainstream national cross cutting issues for a cohesive and just society.
6. To achieve 100% customer satisfaction

This report is therefore based on the above strategic objectives and illustrates the achievements of the Agency during the year ended 30th June 2022.

During the year, the Agency's achievements included, sensitization of the Board and management on the Strategic Plan 2021/22 to 2025/26, training of both the staff and management on Risk Management Framework and a review of the Finance Manual.



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

The acquisition of an Enterprise Resource Planning system documentation is ongoing. The consultant was procured and begun the installation of the ERP system and end user training stood at 98% complete.

A Financial Statements

During the year under review, the recorded total income is Kshs 804.04 Million as compared to Kshs 546.89 Million previous year. Expenditure for the period under review was Kshs 873.26 Million, as compares with Kshs 928.88 Million previous year. The Agency's Assets base is Ksh 9.62 Billion compares with Kshs 9.34 Billion previous year.

B Quality Management Systems

The Agency is in the process of transiting from ISO 9001:2008 to ISO 9001:2015 Standard.

C Staff Competency Development

During year under review several trainings were carried out in various competencies; professional staffs were facilitated to attend professional seminars and workshops to enhance their career development. Some of the seminars attended are those for engineering, accounting, supplies chain management, human resources, team building, pre-retirement training, secretarial management training, cross cutting issues workshop. To complement the work force gaps, the Agency engaged a principal Engineer, twelve (12) youths on internship programme and thirty (30) students on attachment. The Agency reviewed and completed its Staffing levels and Organogram, Career Progression guidelines, Human Resources Policy and Procedures Manual and the Salary Structure in line with the model salary advisory by the Salaries and Remuneration Commission of 2017. The report was adopted by the board for implementation. The salaries and remuneration commission are yet to conclude its report upon some clarifications requested on the Job Evaluation (JE) exercise for the Agency.

D Performance contracting

During year under review, the Agency signed the 18th cycle Performance Contract and implemented the targets which were set out on Financial Stewardship and Discipline, Service Delivery, Core Mandate, implementation of Presidential Directives, Access to Government Procurement Opportunities (AGPO), Promotion of Local Content in Procurement and Cross-Cutting issues. The Agency accomplished all the activities leading to the achievement of the set targets.



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

E Projects being implemented

1 Chemususu Dam Water Distribution Project

Chemususu Dam Water Distribution Project is one of the medium dams proposed under Kenya's Vision 2030 and the Big four Agenda in Baringo and Nakuru Counties. It is located 80 KM North West of Nakuru town and about 15 KM west of Eldama Ravine of Baringo. This is a Government of Kenya wholly funded project. The dam was constructed by National Water Conservation & Pipeline Corporation. It is a 48M high rock fill dam with a capacity of 12 Million M³.

The implementation of the distribution network is carried out by the Central Rift Valley Water Works Development Agency and is estimated to cost KShs 3.5 Billion. The scope of works includes; raw water main, treatment works, treated water gravity mains, distribution system mains and storage reservoirs. Other components include; supply of operation and maintenance equipment and rehabilitation of existing Chemususu water supply treatment. It will serve more than 300,000 people and their livestock in Eldama Ravine and Mogotio Sub Counties of Baringo County and parts of Rongai Sub County of Nakuru County. The project duration was affected by the COVID 19 pandemic that enabled an extension approval of six months from June 2020 to December 2020.

The overall project implementation is at 94% (Baringo County at 98.5% and Nakuru County at 72%). A further extension is under review.

2 Naivasha Industrial Park Water Supply Project

The Agency engaged with the Ministry of Industrialization, which spearheaded the development of the Special Economic Zone and Inland Container Depot for identification of locations and sites for the boreholes. The project involves the supply of sufficient water to the Special Economic Zone and Inland Container Depot to meet the water demand and to support the Big 4 Agenda of the Government. The project has two components;

a) Short term intervention

The aim was to develop Water Sources capable of supplying 10,000m³/day as a short-term measure. Water supply from 25 Boreholes to be drilled in Naivasha and Narok areas. Investigations and feasibility studies were completed in the 25 sites. During the year under review, the project was completed and is at defect liability period.

b) Long term intervention



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

Malewa Multi-Purpose Dam and 20,000m³/day Water Supply. This project is being undertaken under the Kenya climate Resilience Project at the Ministry Headquarter. The status is that the project feasibility study was completed.

3 Kenya Towns Sustainable Water Supply and Sanitation Program

These projects are funded by African Development Bank (AfDB) with an estimated cost of Ksh 1.36 Billion. The programme is to improve management of Water Supply and Sewerage Services various urban centres in Kenya. The projects comprise of construction of sewerage systems in Narok town of Narok County, Ol'kalou town of Nyandarua County, Kapenguria and Chepararia of West Pokot County, Eldama Ravine of Baringo County and a Multi -purpose dam project in Beregei and Amaya of Baringo County. The Projects under this Programme include water supply projects and sewerage projects in the CRVWDA, Lake Victoria North Water Works Development Agency (LVNWWDA) and Lake Victoria South Water Works Development Agency (LVSWWDA) areas of jurisdiction and the CRVWDA is the implementing agency.

During the year under review, programme is under various level of implementation despite challenges of delayed approvals of master list for tax exemptions and delayed payments occasioned by lack of appropriation of budget by the parent ministry. Most have been approved with measures put in place to accelerate work schedule. The overall Programme implementation is at 75%.

4 Itare Dam Water Project

This is one of the flagship projects identified and prioritised by the Government of Kenya under the Kenya's Vision 2030 for Nakuru and parts of Kericho County. The estimated project cost is Kshs. 34 Billion. It is funded by the Government of Kenya through Italian funding agency.

The project will supply 100,000m³ of water per day by gravity to serve over 1,000,000 people in Nakuru town and three small towns in Kericho County along the pipeline route. The project components include construction of a dam, water treatment plant, pipeline, bulk transfer tunnel and storage tanks in and around Nakuru town.

The contractor suspended works in September, 2018 alleging delayed payment. They did not resume work as they were experiencing what they called 'financial constraints' back in Italy. This issue was taken up with the highest authorities and various options were considered in liaison with the National Treasury, the Ministry of Water, Sanitation & Irrigation and the lending agencies. The Agency demanded from the contractor a refund of the advance payment and the performance



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

guarantee as provided for in the contract before finally terminating on 4th February 2020. The overall progress remained at 27%. The Consultant was tasked to develop a budget of the remaining works in lots so as to assist in considering the best option to jump start the project. The report on budget estimates for deploying the Special Installation Police Unit (SIPU) and a security firm to complement and guard the installation from vandalism and theft and for the ultimate completion of the stalled project was submitted to Ministry of Water, Sanitation and Irrigation, the Agency awaits a response.

5 Kirandich Phase II Water Project

This project is being implemented with a loan amounting to Ksh 1.80 Billion from the Government of Italy. The project components include expansion of water supply to Kabarnet town, construction of a sewerage system and generation of hydro-electric power to reduce electricity expenses in the running of the scheme. The implementation of the project commenced in December 2018. Contractor mobilized to site, setting up of camp site. The addendum for extension was granted for extension of time to 11th October 2022 to resume works. The Contractor has been instructed in a meeting was held on 23rd June 2022 to resubmit updated contract documents by 30th June 2022 that include updated guarantees, persons with power of attorney and key staff among others. The contractor has not been responsive. Overall completion rate remained 15%.

6 Rural Water Supply Borehole Project Baringo County

The projects objective is drilling and equipping twenty (21) boreholes in four (4) Sub Counties of Baringo County under phase II. The project was funded by Japan International Corporation Agency (JICA) and the Government of Kenya. The works is estimated to cost of KShs.371 million project. 14 projects were completed ,1 on going and 5 Contract terminated due to unsuccessful boreholes in terms of water quality and yield and 1 under procurement for alternative source as first one was unsuccessful

7 Lake Nakuru Biodiversity Conservation Project

This project involves improvement of waste water management, solid waste management and drainage in Nakuru town to conserve the biodiversity of the Lake Nakuru ecosystem. The project is funded by KfW a German Agency and is estimated to cost for feasibility study is Ksh 100 Million. During the period under review the feasibility studies and the appraisal of the project were completed. The project was approved for construction and the funding negotiations finalized. The



procurement consultant to undertake detailed designs and preparation of tender documents is ongoing.

F Projects Under Planning and Design

1 PESI Dam Water Project Nyandarua County

The objective of PESI dam is to provide domestic and industrial water supply. The estimated cost is Kshs.20 Billion. The proposed dam is to be constructed within PESI Settlement scheme in Nyandarua County. The project will benefit about 100,000 people in all the areas earmarked for supply. The Agency is procuring a consultant to undertake feasibility study review, design and preparation of tender documents. The consultancy works commenced and the inception report submitted to the parent ministry. The preliminary designs are on-going

2 Malewa Dam Water Project Nyandarua County

The objective of the dam is to provide domestic and industrial water supply. The estimated cost is Kshs.20 Billion. The proposed dam is to be constructed in a settlement area occupying parts of Nyandarua and Nakuru Counties at Malewa River. The population to benefit is 687,000. The feasibility studies were finalized and the procurement of consultant to undertake feasibility study review, design and preparation of tender documents ongoing.

3 Kabazi Dam Water Project Nakuru County

The objective of the dam is to provide domestic water supply. The proposed dam shall be constructed in Kabazi area. The estimated cost is Kshs. 405 Million. The project is recommended for funding for design and preparation of tender document to enable the preparation of proposal for funding. The target population is 109,599. During the year under review the feasibility studies were completed.

4 Upper Solai Dam Water Project Nakuru County

The objective of the dam is to provide domestic water supply. The proposed dam is to be constructed in a settlement area in Nakuru County. The estimated Cost is Kshs.6 Billion. The target population is 110,041. The Agency undertook the feasibility study and the procurement of a consultant to undertake feasibility study review, design and preparation of tender documents are ongoing.

5 Chemolingot Dam Water Project Baringo County

The objective of the dam is to provide domestic water supply. The proposed dam shall be constructed in Koste area. The estimated cost is Kshs.109 Million. The project is recommended for



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

funding for design and preparation of tender document to enable the preparation of proposal for funding. The feasibility study for dam source were completed.

6 Narosura Dam Water Project Baringo County.

The objective of the dam is to provide adequate water supply. The estimated Cost is Kshs.389 Million. The target population is 65,000. The project is recommended for funding for design and preparation of tender document to enable the preparation of proposal for funding.

7 Naivasha Town Sewerage Project Nakuru County

The project is to ensure safe disposal of waste water into the lake in acceptable quality. The estimated project cost is Kshs 3 Billion. Naivasha town is a fast growing town. The town is also developing in terms of providing facilities to the newly developed Special Economic Zone and Inland Container Deport. The town has old sewerage facilities that need rehabilitation and construction of new system to meet the demand. The target population is 690,000. Concept note prepared

9 Gilgil Sewerage Project Nakuru County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 1.5 Billion. Gilgil town is one of the areas targeted by the proposed Malewa dam. The town does not have any sewerage facilities. The target population is 138500. Concept note prepared

10 Molo Sewerage Project Nakuru County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 1 Billion. Molo town is among the areas to benefit from Itare Dam Water Project and hence requires ways of disposing the waste water. The town does not have any sewerage facilities. The estimated project duration is 18 months and the target population is 22000. Concept note prepared

11 Keringet Olenguruine Kiptagich Water and Sewerage Project Nakuru County

The project is to ensure adequate water supply and safe disposal of waste water. The target is to serve communities living in the upper Itare Dam area. The estimated project cost is Kshs 2.5 Billion. The estimated project duration is 36 Months. The target population is 245500. Concept note prepared

12 Subukia Water Supply & Sewerage Project Nakuru County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 1.5 Billion. Subukia town does not have a reliable water supply and requires improvement. The town does not



have any sewerage facilities. The estimated project duration is 18 months. The target population is 21000 ultimate. Funding proposal submitted.

13 Njabini Sewerage Project Nyandarua County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 700 Million. Njabini town is at the Southern part of Nyandarua County. The town does not have any sewerage facilities. The estimated project duration is 18 months. The target population is 15000. Funding proposal submitted.

14 Mairo Inya Sewerage Project Nyandarua County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 800 Million. Mairo Inya town is along Nyahururu-Nyeri road serving parts of Nyandarua and Laikipia Counties. The town does not have any sewerage facilities. The estimated project duration is 18 months with a target population of 19000. Funding proposal submitted.

15 Emining Sewerage Project Baringo County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 500 Million. Emining town is a fast growing area more so with water availability from Chemususu Phase II Water Project. The town does not have any sewerage facilities and estimated project duration 18 months. The target population is 15000. Funding proposal submitted.

16 Marigat Water Supply and Sewerage Project Baringo County

The project is to ensure adequate water supply and safe disposal of the waste water. It is estimated to cost Kshs 1.6 Billion. Marigat town does not have any sewerage facilities while the current water supply is unable to meet the current water demand. The estimated project duration is 36 months and the target population 38,000. The preparation of the feasibility studies and engineering designs is ongoing. Funding proposal submitted.

17 Mogotio Sewerage Project Baringo County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 700 Million. Mogotio town is a fast growing area more so with water availability from Chemususu water project. The town does not have any sewerage facilities. The estimated project duration is 18 months. The target population is 19000. Funding proposal submitted.

18 Rumuruti Water Supply and Sewerage Project Laikipia County

The project is to ensure adequate water supply and safe disposal of waste water. The estimated project cost is Kshs 2 Billion. Rumuruti town does not have any sewerage facilities while the



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

current water supply is unable to meet the current water demand. The estimated project duration is 36 months and the target population is 38,000. The review of the feasibility study commenced.

19 Suswa Sewerage Project Narok County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 500 Million. Suswa town is currently the Standard Gauge Railway terminus town. The inland Container Depot and Special Economic Zone are close to the town. The town does not have any sewerage facilities. The estimated project duration is 18 months and the target population is 15000. Concept note prepared

20 Kilgoris Sewerage Project Narok County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 800 Million. Kilgoris town does not have any sewerage facilities. The estimated project duration is 18 months and target population is 23000. Mulot, Kilgoris and Lolgorian benefiting on water supply under ADB funding. Concept note prepared

21 Lolgorian Sewerage Project Narok County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 600 Million. Lolgorian town does not have any sewerage facilities. The estimated project duration is 18 months. The target population is 12500. Mulot, Kilgoris and Lolgorian benefiting on water supply under ADB funding. Concept note prepared

G Projects funded under emergency interventions

The Agency is implementing several small rural water supply projects under the Equalization program, Drought Mitigation program, Public Priority projects, other Strategic Initiative water supply projects like Universal Health Coverage, Olkalou Boreholes water project, Small Pans and Dams programme and Water for Schools programme, National Water Harvesting & Ground Water Exploration, Cross County Bulk Water & Sanitation Services Improvement Programme. These are expected to boost supply in the rural areas. These projects include borehole development, rehabilitation of water supplies and associated storage works, laying of new pipelines and construction of small dams in strategic areas and rain water harvesting among others. Most of the projects commenced and stands at various stages of completion.



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

H Engagement with the Counties

The provision of water services is a devolved function of the County Governments and it became necessary to harmonize the Agency's water activities with those of the Counties. In addition to participating in the Water Sector Transition and Reforms – Consensus Building Forums with the Counties organized by the Ministry of Water Sanitation and Irrigation. The Agency has engaged the Counties to capacity build them in the area of management of water service provision including monitoring and developing management tools to be used, constituting of Water Service Providers boards and recruitment of its directors, and preparation and monitoring of Service Provision Agreements (SPA) with WSPs and other governance issues.

The Agency has remained on course in its strategy to develop and enhance water supply and sanitation infrastructure in its area of jurisdiction.

The Board of Directors provided effective policy direction and was at hand to work with management while implementing policies into water and sanitation infrastructure decisions. The success achieved in realizing completed, ongoing and planned projects has also been due to the collaboration between the Agency's staff and its stakeholders.

The compounded efforts enabled us overcome surmountable challenges that came our way during the year.

We remain committed to our mission '**To plan, develop and deliver efficient and dependable water infrastructure**'

My appreciation to our partners, stakeholders, the Board of directors and members of staff for the efforts put in throughout the year and let us continue to pull together to ensure every Kenyan the right to sustainable Water and Sanitation Services.

Eng. Samuel K. Oruma

Chief Executive Officer

Date 27/3/2023.



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2021/2022

The Central Rift Valley Water Works Development Agency has five (5) pillars and objectives within its strategic plan for the FY 2021/2022 – 2025/2026. They are as follows:

- Pillar 1: Effective resources mobilization and prudent utilization.
- Pillar 2: Enhancement of water and sanitation infrastructure coverage.
- Pillar 3: Management of Agency assets.
- Pillar 4: Enhancement of institutional framework and capacity.
- Pillar: 5: Customer and stakeholder management.

The Agency develops its annual work plans based on the above five (5) pillars. Assessment of the Agency's performance against its annual work plan is done on a quarterly basis. The Agency achieved its performance targets set for the FY 2021/2022 for its five (5) pillars, as indicated in the table below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Effective resources mobilization and prudent utilization	To utilize KShs. 4,416,000,00 allocated To mobilize KShs. 32.687 billion by 30th June 2022.	Resource mobilization policy & strategy Updated data base of project proposals Medium Term Expenditure Framework and Budget for 2022/23 to 2024/25. Finance policy and procedures manual prepared	Develop Resource mobilization policy & strategy Prepare and update a data base of project proposal. Prepare the Agency's MTEF and budget. Timely and cost effectively procure goods & services. Develop and implement the Agency's finance policy and procedures manual.	Terms of reference developed for consultancy services. 28 projects concept notes and 14 project feasibility study reports prepared. The Agency's finance policy and procedures manual have been prepared. The Agency's financial reports and statements were Prepared.
Enhancement of water and sanitation infrastructure coverage	To develop prioritized infrastructure for enhanced access to water and sanitation services.	No of concept notes developed. No. of project planning reports generated.	Develop water supply infrastructure projects concept notes Carry out project planning, feasibility studies, survey, designs and prepare tender documents. Implement the water supply projects as budgeted for.	28 projects concept notes prepared. 14 project feasibility study reports prepared. The Agency implemented; Chemususu Dam Water Distribution, Naivasha Industrial Park Water Supply Project was completed; 2 out of 14 Water for Schools Projects were completed; 8 out of 10 Water



Central Rift Valley Water Works Development Agency
 Report and Financial Statements
 For the year ended 30th June, 2022

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
		No of sanitation and/ or sewerage projects implemented.	Implement sanitation and sewerage projects.	for Universal Health Coverage Projects were Completed; 7 rural water supply projects that included boreholes, surface water projects and water pans were completed; 2 projects under Public Priority Programme were completed; 14 out of 21 JICA Programme, 1 out of 6 Cross County Project Funds and 1 out of 11 projects completed under National Water Harvesting and Ground Water Exploration Programme The Agency implemented completed Narok Town Sewerage Project, and Olkalou Town Sewerage Project from to 83%.
Management of the Agency assets	To develop and implement mechanisms for management of the developed water and sanitation infrastructure.	The number of stakeholder engagement. Number of secured project sites and properties. No. of WSPs engaged in Capacity building	Implement the strategy for stakeholder awareness on water and sanitation infrastructure sites. Identify future suitable water and sanitation infrastructure sites Implement the strategy for capacity building WSPs on the operationalization of projects.	stakeholder engagements were held during project planning and implementation project sites have been identified under planning & design and to be secured once the necessary financial resources identified. 10 WSPs have been engaged after handing over to them.
Enhancement of institutional framework and capacity	To continually improve internal capabilities for efficient service delivery.	Completed Human Resource Management Policy and procedures manuals No of filled gaps No of staff trained. ISMS 27001: 2013 certificate. Risk Management Policy & Framework		The Policy and procedures manuals were completed. six positions were advertised and only one was filled. professional staff were facilitated to attend seminars Information Security Champions have been trained, Information assets have been identified and secured. Risk Management Policy & Framework have been developed.



Central Rift Valley Water Works Development Agency
 Report and Financial Statements
 For the year ended 30th June, 2022

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Customer and stakeholder management	To mainstream national cross cutting issues for a cohesive and just society.	ESIA and RAP compliance report. OSHA Compliance report	Comply with ESIA and RAP requirement. Implement work safety requirements.	All projects have ESIA and RAP compliance report. OSHA requirement are being Complied with.
	To achieve 100% customer satisfaction.	Stakeholder engagement reports. Annual reports on corporate branding and publicity Complaint handling report	Implement stakeholders' engagement strategy. Implement the corporate branding strategy Implement complaints handling strategy	Stakeholder engagements have been undertaken on all initiatives of the Agency. Corporate branding done to align the Agency's image within the institutional framework. Complaint handling report prepared.



VII. CORPORATE GOVERNANCE STATEMENT

The Board of Directors of the Central Rift Valley Water Works Development Agency are appointed by the Cabinet Secretary, Ministry of Water, Sanitation & Irrigation from time to time for a term specified by regulations. They are drawn from some Government Ministries and private sector representing a wide cross section of stakeholders within the Agency's area with a mix of skills, age, qualifications, gender and experience.

They are given the responsibility of enhancing corporate governance practices to bring the level of governance in line with International Standards. The essence of good corporate governance practice is to promote and protect stakeholders' interests. They include the Government, Water Works Development Agencies, the Water Services Regulatory Authority, other Statutory Institutions, Water Services Providers, Development Partners, Communities and Water Consumers.

They exercise leadership, enterprise, integrity and judgment in directing the Board and acts in its best interest in a transparent, accountable and responsible way. The Agency is governed at policy level by a 6 (six) independent member Board of Directors, drawn from a cross-section of Stakeholders and 2 (two) number from the Government Departments of the National Treasury and the Parent Ministry of Water, Sanitation & Irrigation. A representative from Inspectorate of State Corporations attends the meetings for advisory purposes.

Board Committees

To ensure the efficient running of the Agency's operations, the Board has established four standing Committees which meet and make recommendations to the Board on issues delegated to them. Each Committee has a Charter to guide its operations.

During the year under review the Board had the following Committees in place:

1. Finance and Corporate Services,
2. Technical Services,
3. Audit and Governance and
4. Compliance, Strategy and Resource Mobilization.



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

In order to ensure that the Board's expenditure on meetings is within the approved budget, a calendar of the Board meetings is adhered to.

Conflict of interest is an agenda item in all Board meetings and a register is maintained for record purposes.

The Board of Directors are paid sitting allowance for every meeting attended as well as accommodation allowance while on Agency's duty as per Government guidelines. The Chairman is also paid a monthly honorarium.

Amb. Boniface Kamanga Muhia

Chairman

Date: 28/3/23



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

A Financial Statements

During the year under review, the recorded total income is Kshs 804.04 Million as compared to Kshs 546.89 Million previous year. Expenditure for the period under review was Kshs 873.26 Million, as compares with Kshs 928.88 Million previous year. The Agency's Assets base is Ksh 9.62 Billion compares with Kshs 9.34 Billion previous year.

B Quality Management Systems

The Agency is in the process of transiting from ISO 9001:2008 to ISO 9001:2015 Standard.

C Staff Competency Development

During year under review several trainings were carried out in various competencies; professional staffs were facilitated to attend professional seminars and workshops to enhance their career development. Some of the seminars attended are those for engineering, accounting, supplies chain management, human resources, team building, pre-retirement training, secretarial management training, cross cutting issues workshop. To complement the work force gaps, the Agency engaged a principal Engineer, twelve (12) youths on internship programme and thirty (30) students on attachment. It reviewed and completed its Staffing levels and Organogram, Career Progression guidelines, HR Policy and Procedures Manual and the Salary Structure in line with the model salary advisory by the Salaries and Remuneration Commission of 2017. The report was adopted by the board for implementation. The salaries and remuneration commission are yet to conclude its report upon some clarifications requested on the Job Evaluation (JE) exercise for the Agency.

D Performance contracting

During period under review, the Agency implemented the targets which were set out on the performance contract. The Agency accomplished all the activities leading to the achievement of the targets.

E Projects being implemented

1 Chemususu Dam Water Distribution Project

During the period under review, the project implementation was done to 94%.

2 Naivasha Industrial Park Water Supply Project

The project has two components,



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

a) Short term intervention

The Agency has completed investigations and feasibility studies in the 25 sites and has carried out detailed designs and drilling of Six (6) boreholes was completed and procurement for civil works commenced. The project was completed and stands at defect liability period.

b) Long term intervention

Malewa Multi-Purpose dam and 20,000M³/day water supply. This project is being undertaken under the Kenya climate Resilience Project at the Ministry Headquarter. The status is that the project is at the final feasibility study.

3 Kenya Towns Sustainable Water Supply and Sanitation Program

The progress attained in the Programme implementation was about 75% during the period under review.

4 Kirandich Phase II Water Project

The contractor mobilized to site and commenced the set up of a camp and the locating of the project components. Overall completion rate remained at 15%.

5 Itare Dam Water Project

During the period under review, overall completion rate remained at 27%. Works were suspended since September 2018. Budget of remaining works was forwarded to the line ministry for direction.

6 Rural Water Supply Borehole Project - Baringo County

During period under review, Civil works for 14 were completed..

7 Lake Nakuru Biodiversity Conservation Project

During the period under review the feasibility Studies and the appraisal of the project were completed and approved construction.

F Projects under Planning and Design

1 PESI Dam Water Project Nyandarua County

The objective of PESI dam is to provide domestic and industrial water supply. The estimated cost is Kshs.20 Billion. The project will benefit about 100,000 people. The pre-feasibility study commenced during the year..

2 Malewa Dam Water Project Nyandarua County

The objective of the dam is to provide domestic and industrial water supply. The estimated cost is Kshs.20 Billion. The population to benefit is 687,000. The feasibility studies were finalized and, design review and preparation of tender documents completed.



3 Kabazi Dam Water Project Nakuru County

The objective of the dam is to provide domestic water supply. The estimated cost is Kshs. 405 Million. The target population is 109,599.

4 Upper Solai Dam Water Project Nakuru County

The objective of the dam is to provide domestic water supply. The estimated Cost is Kshs.6 Billion. The target population is 110,041. The Agency undertook the feasibility study and the procurement of a consultant to undertake feasibility study review, design and preparation of tender documents commenced.

5 Chemolingot Dam Water Project Baringo County

The objective of the dam is to provide domestic water supply. The proposed dam shall be constructed in Koste area. The estimated cost is Kshs.109 Million. The feasibility study for dam source is ongoing.

6 Narosura Dam Water Project Baringo County.

The objective of the dam is to provide adequate water supply. The estimated Cost is Kshs.389 Million. The target population is 65,000.

7 Naivasha Town Sewerage Project Nakuru County

The project is to ensure safe disposal of waste water into the lake in acceptable quality. The estimated project cost is Kshs 3 Billion. The target population is 690,000.

8 Gilgil Sewerage Project Nakuru County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 1.5 Million. The target population is 138500.

9 Molo Sewerage Project Nakuru County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 1 Billion. The target population is 22000.

10 Keringet Olenguruine Kiptagich Water and Sewerage Project Nakuru County

The project is to ensure adequate water supply and safe disposal of waste water. The target is to serve communities living in the upper Itare Dam area. The estimated project cost is Kshs 2.5 Billion. The target population is 245500.

11 Subukia Water Supply & Sewerage Project Nakuru County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 1.5 Million. The target population is 21000 ultimate



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

12 Njabini Sewerage Project Nyandarua County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 700 Million. The target population is 15000.

13 Mairo Inya Sewerage Project Nyandarua County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 800 Million. The target population of 19000.

14 Emining Sewerage Project Baringo County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 500 Million. The target population is 15000.

16 Marigat Water Supply and Sewerage Project Baringo County

The project is to ensure adequate water supply and safe disposal of the waste water. It is estimated to cost Kshs 1.6 Billion. The target population is 38,000. The preparation of the feasibility studies and engineering designs is ongoing.

17 Mogotio Sewerage Project Baringo County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 700 Million. The target population is 19000.

18 Rumuruti Water Supply and Sewerage Project Laikipia County

The project is to ensure adequate water supply and safe disposal of waste water. The estimated project cost is Kshs 2 Billion. The target population is 38,000. The review of feasibility study commenced during the year under review.

19 Suswa Sewerage Project Narok County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 500 Million. The target population is 15000.

20 Kilgoris Sewerage Project Narok County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 800 Million. The target population is 23000.

21 Lolgorian Sewerage Project Narok County

The project is to ensure safe disposal of waste water. The estimated project cost is Kshs 600 Million. The target population is 12500.



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

G Projects funded under emergency interventions

During the period under review, implementation of most of the projects was ongoing and stands at various stages of completion.

H Engagement with the Counties

During the year under review, the Agency supported Counties in its area of jurisdiction in identifying viable projects and collaborated while implementing projects funded under emergency interventions.



IX. ENVIRONMENT AND SUSTAINABILITY REPORTING

Our Commitment

The Agency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 5 pillars: putting the customer/Citizen first, delivering services, and improving operational excellence.

Social and environmental responsibilities play an important role in our overall business practice, our Corporate Social Responsibility Policy guides all the Agency's Corporate Social Responsibility activities. The Agency takes note of the social and environmental responsibility while at the same time executing towards its mandate.

The activities provide our staff an opportunity to also make a contribution to the society.

The Board of Directors takes the overall responsibility at policy level for the continued development and implementation of appropriate social and environmental policies of the Agency.

Below is a brief highlight of our achievements in each pillar

Sustainability strategy and profile

The Constitution of Kenya has declared access to Water Supply and Sanitation Services a human right which is to be achieved progressively. Under the Water Act, 2016, the Cabinet Secretary is expected to formulate and implement a National Water Services Strategy that will progressively lead to attainment of this right. The Agency has therefore aligned its development and operational agenda to the National Water Services Strategy and endeavours to mobilize adequate resources to implement its plan and achieve the national vision. The Agency has identified five key result areas to effectively realize its mandate. The five key result areas are:

1. Effective mobilization and prudent utilization of resource.
2. Development and Improvement of the water and sanitation infrastructure.
3. Management of the water and sanitation infrastructure developed.
4. Enhancement of institutional framework and capacity.
5. Customer and stakeholder management.

The Agency believes that pursuing impact in these five key result areas will enable achievement of sufficient and resilient infrastructure that will continually and sustainably support attainment of the universal access to improved water supply and sanitation services in its area of jurisdiction. This aspiration is aligned to the National initiatives under the Big Four Agenda which is attendant to the Vision 2030, the Sustainable Development Goal Number six of the United Nation and the Africa



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

Unions Agenda 2064. We have done our best with considerable success in each of the key result areas and we remain committed to achieving the National Government's development goals by our short-term local interventions.

Environmental performance

The Environmental Management and Coordination Act 1999 (EMCA) and 2015 guides the Agency project/ program implementation. Through the Act, the public and the society are empowered through public participation that in turn supports the project implementation leading to its success. On the other hand, the EMCA Act makes reference to the Constitution of Kenya which empowers communities on project implementation which sometimes leads to project rejection and aversion i.e. Sewerage Projects. The Agency, working closely with other stakeholders promotes and sustain tree planting exercise which seeks to mitigate climate change and promote biodiversity. In its efforts to reduce environmental impacts, the Agency undertakes the Environmental Impact Assessment studies which outlines the possible impacts and propose mitigation measures which are implemented during project implementation which also include regular Environmental audits.

Employee welfare

The Agency has a Human Resources Policy and Procedures Manual which stipulates the guidelines on recruitment and selection and further requires that a third (1/3) gender rule is adhered to in the recruitment process. A documented Human Resources and Administration Standard Operating Procedure manual also guides recruitment process. Further, the Agency has in place career progression guidelines and reviews the staffing levels of the institution from time to time. On safety and compliance with Occupational Safety and Health Act of 2007, (OSHA), An approved Health and Safety Policy is in place and is well adhered to and has been availed to all staff.

Market place practices

a) Responsible competition practice

The Agency ensures that laws relating to The Constitution of Kenya 2010, The Public Procurement and Asset Disposal Act 2015 And Public Procurement and Asset Disposal Regulations 2020 are followed. The Agency strictly adopts the most preferred method of procurement-Open tendering. Players in the market are given chances and level ground to compete. Information on the available tender opportunities is relayed to the bidders through the Public Procurement Information Portals,



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

The Agency's website and the national newspapers to ensure universal and free access to information. To enhance fair competition, evaluation is based on set criteria favourable to all bidders, where price takes precedence without prejudicing on quality. Vulnerable groups are given preference to ensure they are not edged out of market and are therefore given a favourable and conducive business environment. The Agency ensures that specifications development does not give undue influence or reference to a particular product or service in the market that will give a competitive advantage to a particular supplier

b) Responsible supply chain and supply relations

The Agency engages suppliers on sensitisation meetings to get their feedback on the provision of good, works and services. Pre-bid and site visit meetings are conducted to acquaint the suppliers with the minimum requirements. Successful bidders are engaged in a negotiation/pre-contract clarification meeting so as to be at par with the expectations of the Agency before contract execution. All this ensures an established good relationship between the Agency and the suppliers. Payment is made timely provided that all requirements are met. Suppliers are informed of the required documentations and processes and the contract implementation requirements before a payment request is raised. This ensures no delay in making for payment of goods supplied, works executed or services rendered.

c) Responsible marketing and advertisement

The agency ensures openness in advertising for its available opportunities. Informing on such opportunities is relayed in the easiest, understandable language and conveyed in the easily available mode of communication. The information is consistent to all clients. Queries raised by a particular bidder in relation to a procurement proceeding is clarified and the clarification is sent to all bidders in that respect. In preparation of product specifications, the Agency ensures that the approved standards used are universal and cannot be tied to a particular item or product in the market. The Agency has a dedicated email service for queries in relation to procurement matters

d) Product stewardship

i. Environmental and Social Impact Assessments-

The Agency undertakes ESIA on many of its projects to ensure that consumers and the environment are protected from harmful effects after undertaking projects. The assessment is carried out before commencement of the project to determine if and how the project will be undertaken with minimal negative impact on the environment and local community, the Agency strives towards the promotion of green procurement to reinforce with an aim



of incorporating human health and environmental concerns into the search for high quality products and services at competitive prices

ii. Non- Revenue Water Management-

The Agency has prioritized the procurement of non-revenue equipment to increase efficiency and capacity to deal with leaks and other sources of non-revenue water. (NRWM) increases affordability and sustainability of water supply and sewerage services thus saving tax payers money while increasing value for money

iii. Consumer and public participation and education-

The Agency has made a lot of efforts to ensure public participation and education on most of its projects through the media and also by updating its official website to a more user-friendly interface. It has also done this by involving local authorities in most of its projects.

iv. Performance Guarantees, Advance Payment Guarantees and Retention-

The Agency has always complied by the law to ensure that performance guarantees are provided by service providers to safe guard against risks associated with non-performance, for contracts that require the payment of advance payment, the necessary advance payments are provided and retention money is kept over reasonable timelines to ensure that projects are undertaken according to the expected standards of quality and avoid exposure of the Agency to risks associated with poor quality of products .

v. Promoting settlement of disputes through litigation-

The Agency has always welcomed settlement of disputes through litigation to promote fairness and justice through legally accepted means. In line with this, the Agency increased efforts to investigate complaints and provide feedback to stakeholders in order to ensure compliance with statutory obligations

vi. Cooperation with other water sector institutions-

The Agency has enhanced cooperation with other water sector institutions to promote efficiency, economies of scale and capacity building. This in turn has promoted service delivery within the water sector to the benefit of the consumers.

Corporate Social Responsibility/Community Engagements

During the year under review, the Agency continued to implement its Corporate Social Responsibility (CSR) Program in line with its policy. This Policy builds and support the execution



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

of the Agency's mandate as part of integrating community concerns in the Agency's operation and interactions with their stakeholders and customers.

The Agency's CSR policy is anchored on five main pillars;

1. Nurturing of Sports and Education

The Agency aims at nurturing local sports by supporting and participating in marathons, In the year under review, the Agency supported and participated in three regional marathons namely; Chemususu Dam Half Marathon, Eldama Ravine Half Marathon.

2. Environmental Conservation

Environmental conservation is a key component of the program under our policy. Consequently, participating and supporting tree planting campaigns thereby contributing to raise the country's protection of the water catchment and forest cover.

During the year under review, the Presidential directive was allocation of 10% of the CSR budget in planting tree seedlings that can be distributed so as to achieve 10% forest cover by 2022. The Agency implemented the annual Tree Planting campaign targeting to plant more than 20,000 indigenous tree seedlings in a number of water catchments points within our area of jurisdiction. The Agency supported planting of more than 12,000 seedlings in Mwache,,Lamu, Ugunja, Kiptogot-Nkolongolo, Kaptagat and Kapenguria, and the catchment of Chemususu Dams in Baringo County, Pesi Dam Nyandarua and Laikipia Counties and Inkorienito Dam in Narok County conservation.

Health Care

The Agency aims at supporting health care and health sectors within our areas of operation as part of supporting the Big 4 Agenda. The Covid-19 pandemic in the country called for all service government entities to support, being a service entity; the Agency ran a hand washing campaign in its area of jurisdiction and worked with its respective County Governments and Water Service Providers to ensure that the general public gets the relevant support in terms of provision of reliable and quality water. It also identified target groups and beneficiaries such as Schools, hospitals and Health Centres, Police Stations, Markets places and Churches that benefited from the distribution of plastic tanks, sanitizers and face masks. Approximately 200 plastic tanks that constituted 1000ltr, 1500ltr, 5000ltr and 10,000ltr were distributed.



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

Boy- Girl Child support

The Agency mentored and empowered vulnerable boys and girls within the area of jurisdiction. by supporting the donation of sanitary towels to unprivileged rural schools in School in Narok County. The Agency mentored /coach young boys and girls during the holidays.

5 Towards building capacity

With the view of supporting the young people actively engaged in water improvement, the Agency took in over 42 (thirty two) young graduates as interns and students on attachment attached to project engineers in the field and assigned various managers in the office for on The young participants then may have an opportunity to grow and to gain new ideas to enhance water related issues.

Amb. Boniface Kamanga Muhia

Chairman

Date 28/3/23

Eng. Samuel K. Oruma

Chief Executive Officer

Date 27/3/2023.



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

X. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited Financial Statements for the year ended 30th June 2022 which show the state of the Agency's affairs.

Principal activities

The principal activities of the Agency are:

- 1 Undertake development, maintenance and management of national public water works;
- 2 Hand over the waterworks to designated water services provider for operation and management;
- 3 Provide water services when ordered by the Regulatory Board (Reserve Capacity of the National Government on Water Services Provision);
- 4 Provide technical and capacity building services to County Governments and Water Services Providers upon request; and
- 5 Provide technical support to the Cabinet Secretary.

Results

The results of the Agency for the year ended 30th June, 2022 are set out on pages 40-62

Directors

The members of the Board of Directors who served during the year are as shown on pages 3-5 in accordance to the guidelines. They are appointed by the Cabinet Secretary for the line Ministry.

During the year, two directors were appointed, Mr Chrysostom Njeru as the alternate to the CS/Ministry of Water, Sanitation & Irrigation and Ms Joyce Wesonga representing the Inspectorate of State Corporations. They replace Mr Douglas Murithi Mutai and Mr Peter Waweru respectively.

Mr Samuel Mathenge Ndiritu resigned as director during the year.

Auditors

The Auditor General is responsible for the statutory audit of the Agency in accordance with the Article 229 of the Constitution of Kenya and the Public Audit Act, 2015.



Eng. Samuel K. Oruma

Chief Executive Officer & Secretary to the Board.

Date 27/3/2023



XI. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors is required under the Water Act, 2016, the Public Finance Management Act, 2012, and the State Corporations Act to prepare Financial Statements in respect of that Agency, which give a true and fair view of the state of affairs of the Agency at the end of the financial year and the operating results of the Agency for that year. The Board of Directors are also required to ensure that the Agency keeps proper accounting records which disclose with reasonable accuracy the financial position of the Agency. The Directors are also responsible for safeguarding the assets of the Agency.

The Board of Directors are responsible for the preparation and presentation of the Agency's Financial Statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the year ended on 30th June 2022. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Agency;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Agency;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board of Directors accept responsibility for the Agency's Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012.

The Board of Directors are of the opinion that the Agency's Financial Statements give a true and fair view of the state of Agency's transactions during the year ended 30th June 2022, and of the Agency's financial position as at that date.



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

The Board of Directors further confirm the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's Financial Statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of Directors to indicate that the Agency will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the Financial Statements

The Central Rift Valley Water Works Development Agency's Financial Statements were approved on 28th September 2022 and signed on its behalf by:

Amb. Boniface Kamanga Muhia

Chairman

Date 22/3/23

Eng. Samuel K. Oruma

Chief Executive Officer

Date 27/3/23

REPUBLIC OF KENYA



Enhancing Accountability

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REPORT OF THE AUDITOR-GENERAL ON CENTRAL RIFT VALLEY WATER WORKS DEVELOPMENT AGENCY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Central Rift Valley Water Works Development Agency set out on pages 40 to 58, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison

Report of the Auditor-General on Central Rift Valley Water Works Development Agency for the year ended 30 June, 2022

of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Central Rift Valley Water Works Development Agency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) (Accrual Basis) and comply with the Water Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Misstated and Undisclosed Property, Plant and Equipment Balances

The statement of financial position reflects an amount of Kshs.2,152,710,045 in respect of property, plant and equipment which, as disclosed in Note 2 the financial statements, includes an amount of Kshs.8,401,550 in respect of land and buildings. However, the land and buildings balance excludes value of land of undetermined value on which the Board offices and water assets stand on. Further, the ownership documents for the subject parcels of land were not provided for audit verification.

Further and as reported previously, the Agency inherited the water distribution infrastructure owned in the past by the Sanitation and the National Water Harvesting and Storage Authority. The assets have not been valued and incorporated in the Agency's financial statements despite continued usage to generate revenue. Management attributed this to lack of formal transfer of the assets, though however, no action has been taken to resolve this matter.

In the circumstances, the accuracy and fair statement of property, plant and equipment balance of Kshs.2,152,710,045 as at 30 June, 2022 could not be confirmed.

2. Anomalies in the Work in Progress Balance

The statement of financial position reflects Work in Progress (WIP) balance of Kshs.6,407,345,415 which, as disclosed in Note 2 to the financial statements, is made up of balances of various projects whose works were incomplete as at the close of the financial year. However, the following misstatements were observed during the audit.

- i. The balance includes an amount of Kshs.897,299,881 in respect of Itare Dam, for which Kshs.218,008,671 was incurred during the year under review despite the project having stalled in September, 2018 after the contractor suspended works citing delayed payments. Subsequently, the Agency terminated the contract on 4 February, 2020 after demanding for a refund of the advance payment and the performance guarantee as provided for in the contract. As a result, the expenditure of Kshs.897,299,881 incurred on the incomplete project may be a loss of public funds.
- ii. The balance includes amounts of Kshs.167,618,647 and Kshs.115,602,391 in respect of Iten-Sabor and Olkalou Town water projects respectively which, according to the

Agency records, were completed and put into use several years back but had not been capitalized and updated in the assets register accordingly.

- iii. The balance includes an amount of Kshs.486,113,013 incurred on African Development Bank (AfDB) funded projects out of which an amount of Kshs.109,023,473 was incurred on recurrent expenditure during the year under review. However, there was no support by way of an approved budgetary reallocation or Authority to Incur Expenditure provided for review. Further, included in the amount of Kshs.109,023,478 is a balance of Kshs.88,228,393 incurred on land compensation whose ownership documents were not provided for audit review.

In the circumstances, the accuracy and fair statement of work in progress balance of Kshs.6,407,345,415 as at 30 June, 2022 could not be confirmed.

3. Long Outstanding Receivables Balance

The statement of financial position reflects a balance of Kshs.711,937,397 in respect of receivables and prepayments balance, which as disclosed in Note 4 to the financial statements, includes a balance of Kshs.649,241,619 in respect of water service provider's administration fees which however, had been outstanding from the service providers for long with some of it dating as far back as FY 2016/2017. The fees came into effect with the enactment of Water Act, 2002 which gave the Board the authority to collect administration fees from Water Service Providers. However, this role was reversed with the enactment of Water Act, 2016 whose Section 131(2), provides that, the licensed water services providers shall not be required to pay any fees for the use of public assets for the provision of water services other than the repayments of loans acquired for the development of those assets. Further, the Nakuru County Government vide letter ref NCG/S/NWS VOL.1/90 advised the service providers under its jurisdiction to suspend with immediate effect all license administration fee payable to the Agency. No provision for bad debts was made in the financial statements.

In the circumstances, the accuracy, recoverability and fair statement of receivables and prepayments balance of Kshs.711,937,397 as at 30 June, 2022 could not be confirmed.

4. Unsupported Accounts Payable

The statement of financial position reflects a balance of Kshs.592,773,149 in respect of accounts payable which, as disclosed in Note 7 to the financial statements, includes amounts of Kshs.198,154,137 and Kshs.298,601,950 in respect of general development creditors and general development retentions, respectively. However, the balances were not supported by ledgers and retentions bank account for the amounts held on behalf of various contractors.

In the circumstances, the accuracy and fair statement of accounts payable balance of Kshs.592,773,149 as at 30 June, 2022 could not be confirmed.

5. Variances in Government Grants

The statement of financial position reflects a Capital Fund balance of Kshs.7,197,643,988 which, as disclosed in Note 8 to the financial statements, includes funds received as government grants during the year of Kshs.372,288,498 which, however, differ with the amount reflected in the statement of comparison of budget and actual amounts of Kshs.629,875,000 by an unreconciled variance of Kshs.257,586,502.

In the circumstances, the accuracy and fair statement of fund balance of Kshs.7,197,643,988 as at 30 June, 2022 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2021. Management has not provided reasons for the delay in resolving the prior year audit issues. This is contrary to the requirements of the Public Sector Accounting Standards Board reporting guidelines.

In the circumstances, Management has not complied with the reporting template.

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 matter 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

Unbalanced Budget

The statement of comparison of budget and actual amounts reflects a final income budget of Kshs.1,113,704,605 against a final expenditure budget of Kshs.1,687,781,541 reflecting over budgeting by Kshs.574,076,936. This was contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that unless provided otherwise in the Act, the Regulations or any other guidelines developed in furtherance of the Act or the Regulations, budget shall be balanced.

In the circumstances, Management was in breach of the law.

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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Poorly Maintained Fixed Assets Register

Review of the fixed assets register provided for audit revealed that the register lacked information such as date of acquisition of assets, cost of acquisition and additions made during the year.

In the circumstances, the fixed asset register may not provide an accurate record of the status of assets owned by the Agency.

2. Lack of a Risk Management Strategy

The Agency does not have in place a Risk Management Policy to guide it on assessment and evaluation of risks and strategies to mitigate likely risks.

In the circumstances, the service delivery may be adversely affected as probable risks may not be identified and mitigation measures applied accordingly.

3. Delay in Implementation of Enterprise Resource Planning System

The Agency contracted a vendor for supply, delivery and installation of an integrated Enterprise Resource Planning System at a contract price of Kshs.38,171,702 through contract number RVWSB/KTSWSSP//C/G/01/2018-2019 with effect from 26/02/2020 for a period of 12 months ending 26 February, 2021. The system was to include human resource management and administration, procurement, finance management, business development, document management, project management, enterprise portal and fleet management modules. However, although an amount of Kshs.26,325,311 had been paid cumulatively to the vendor as at 30 June, 2022 no module was fully functional. Further, although the implementation date was extended to 28 April, 2022, the works remain incomplete.

In the circumstances, the functionality and effectiveness of the system in providing accurate data and information to assist Management in decision making could not be confirmed.

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.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Agency'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 the Management is aware of the intention to liquidate the Agency 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 Agency's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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 Agency's policies and procedures may deteriorate.


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency'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 Agency 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 Agency 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

25 April, 2023




Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

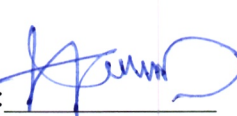
XIII. STATEMENT OF FINANCIAL PERFORMANCE

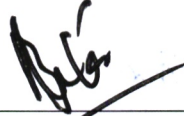
Statement of Financial Performance for the year ended 30 June 2022

Description		2021/2022 Ksh	2020/2021 Ksh
Income	Notes		
Total Income	9	804,030,814	546,893,154
Expenses			
Project Expenses	12	669,120,788	643,973,921
Staff Costs	14	67,414,668	-
Board of Directors Expenses	15	24,421,066	29,886,222
Honoraria			880,000
Depreciation Expenses	2	4,545,606	5,777,185
Newspapers & Other Periodicals	16	254,840	-
Insurance Expenses	17	8,238,602	-
Maintenance	18	7,435,108	-
Other operating expenses	10	74,432,945	166,617,580
Corporate social responsibility expenses			2,017,200
Transport Operating Expense			13,747,426
Audit Fees			348,000
Finance costs(2.5%)			19,465,916
Bank charges			3,378,655
Training expenses			14,075,487
Contracted Professional Services	19	17,397,465	19,061,061
Contracted cleaning Services		-	2,760,391
Contracted prof Services strategic plan			5,072,000
legal Charges & Compensation			1,822,814
Total expenses		873,261,088	928,883,858
Net Surplus/(Deficit)		(69,230,275)	(381,990,704)

The notes set out on pages 48-62 form an integral part of these Financial Statements. The Financial Statements set out on pages 40 -44 were signed on behalf of the Board of Directors by:

Signed: 
Eng. Samuel K. Oruma
Chief Executive Officer

Signed: 
CPA Douglas Murei
GM/CS

Signed: 
Amb. Boniface K Muhia
Chairman

Date: 27/3/2023

Date: 27.3.23

Date: 28/3/23




Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

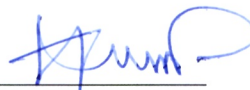
XIV. STATEMENT OF FINANCIAL POSITION

Description		2021/2022 Ksh	2020/2021 Ksh
NON-CURRENT ASSETS			
Property, Plant & Equipment	2	2,152,710,045	2,155,297,199
Work In Progress	11	6,407,345,415	5,633,661,169
Total Non-Current Assets		8,560,055,460	7,788,958,368
CURRENT ASSETS			
Cash & Bank	6	346,344,103	753,038,989
Receivables and Prepayments			
Receivables and Deposits	4 & 5	711,937,397	795,551,908
Total Current Assets		1,058,281,499	1,548,590,897
TOTAL ASSETS		9,618,336,959	9,337,549,265
CURRENT LIABILITIES			
Accounts Payable	7	592,773,149	558,034,075
Total Current Liabilities		592,773,149	558,034,075
LONG TERM LIABILITIES			
ADf Loan	13(a)	1,197,578,571	1,269,997,571
AfDB Loan interest	13(d)	630,341,251	614,931,854
Total long-term liabilities		1,827,919,822	1,884,929,425
FUNDS			
General Reserve Fund	8	2,160,775,577	2,230,005,852
Capital reserve fund	8	5,036,868,411	4,664,579,913
Total Funds		7,197,643,988	6,894,585,765
Total Equity & Liabilities		9,618,336,959	9,337,549,265

The Financial Statements set out on page 40 -44 were signed on behalf of the Board of Directors by:

Signed: 
Eng. Samuel K. Oruma
Chief Executive Officer

Date: 27/3/2023

Signed: 
CPA Douglas Murei
GM/CS

ICPAK No 8415
Date 27.3.23

Signed: 
Amb. Boniface K Muhia
Chairman

Date: 28/3/23



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

XIII STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2022

	Capital Fund Kshs	Revenue Reserves Kshs	TOTAL Ksh
Year ended June 2022			
Balances at start of period	4,664,579,913	2,230,005,852	6,894,585,765
Funds received during the year	372,288,498	-	372,288,498
Surplus for the year	-	(69,230,275)	(69,230,275)
Balances end of the year	5,036,868,411	2,160,775,577	7,197,643,988

FOR THE YEAR ENDED 30 JUNE 2021

	General Fund Kshs	Revenue Reserves Kshs	Totals Kshs
year ended 30 June 2021			
Balances at start of year	4,258,085,204.00	2,611,996,556.00	6,870,081,760.00
Funds received during the year	406,494,709.00	-	406,494,709.00
Surplus for the year	-	(381,990,704.00)	(381,990,704.00)
Balances at end of year	4,664,579,913.00	2,230,005,852.00	6,894,585,765.00



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022


XIV STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021/2022 Ksh	2020/2021 Ksh
Cash Flow From Operating Activities			
Cash generated from operations		(69,230,275)	(381,990,704)
Add: Depreciation Expense	2	4,545,606	5,777,185
Decrease(Increase) in Accounts Receivables	4	83,614,511	348,514,591
Increase(Decrease) in Accounts Payables	7	34,739,073	70,403,507
Net Cash Provided by Operating Activities		53,668,916	42,704,579
Investing Activities			
Non Current Assets Acquired	2&12	(775,642,698)	(1,692,044,922)
Net Cash Provided by Investing Activities		(775,642,698)	(1,692,044,922)
Financing Activities			
Long term Interests	13(d)	15,409,397	
Loan Repayment	13(b)	(72,419,000)	(9,800,000)
Funds Received in the year	8	372,288,498	406,494,709
Cash Flow From Financing Activities		315,278,895	458,999,288
Net Cash Increase for the Period		(406,694,887)	(1,233,045,434)
Cash at Beginning of the Period		753,038,990	1,986,084,624
Cash at End of the Period		346,344,103	753,038,990


The Financial Statements set out on pages 40 -44 were signed on behalf of the Board of Directors by:

Signed: 
Eng. Samuel K. Oruma
Chief Executive Officer

Date: 27/3/2023

Signed: 
CPA Douglas Murei
GM/CS

ICPAK No 8415
Date 27.3.23

Signed: 
Amb. Boniface K Muhia
Chairman

Date: 28/3/23



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

XV STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

		Original Budget 2021/2022	Adjustments 2021/2022	Revised Budget 2021/2022	Actual on Comparable 2021/2022	Performance Difference 2021/2022
		Ksh	Ksh	Ksh	Ksh	Ksh
REVENUE	4					
Other Misc incomes		17,638,000	12,100,993	29,738,993	29,738,993	-
GoK Grants-development		701,500,000	-71,625,000	629,875,000	629,875,000	-
GoK Grants-Recurrent		176,000,000	223,801,004	399,801,004	399,801,004	-
WSPs Loan Repayment		54,000,000	-	54,289,608	54,289,608	-
TOTAL INCOME		949,138,000		1,113,704,605	1,113,704,605	-
						-
EXPENSES						-
Staff emoluments	10	110,038,943	-42,624,275	67,414,668	67,414,668	-
Operating expenses		95,349,057	-3,001,950	92,347,107	92,347,107	-
Repairs and Maintenance	12	16,000,000	-653,120,788	669,120,788	669,120,788	-
Board expenses		23,250,000	1,171,066	24,421,066	24,421,066	-
Depreciation		3,000,000	1,545,606	4,545,606	4,545,606	-
The National Treasury			54,289,608	54,289,608	54,289,608	-
TOTAL EXPENDITURE		247,638,000		912,138,843	912,138,843	-
Surplus/Deficit			-			
DEVELOPMENT			-			-
projects under capital dev		701,500,000		775,642,698	775,642,698	-
		949,138,000		1,687,781,541	1,687,781,541	



XVI SIGNIFICANT ACCOUNTING POLICIES

1. Statement of Compliance and Basis of preparation

The Agency's Financial Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The Financial Statements are presented in Kenya Shillings, which is the functional and reporting currency of the Agency and all values are rounded to the nearest shilling. The accounting policies have been consistently applied.

The Financial Statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The Financial Statements are prepared using Accrual basis.

i) Summary of Significant Accounting Policies

a) Revenue Recognition

The Agency recognizes revenue of goods and services in the period in which the board delivers the services to the customer and the Customer has accepted. Government grants are recognized when received.

b) Deferred income

Deferred income is recognized instead of revenue. Other non exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

c) Rental income

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

d) Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single Statement to determine the needs of the Agency. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional Financial Statement in the statement of comparison of Budget and actual amounts.



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

e) Property, Plant and Equipment–IPSAS17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. Land has been taken at cost though on leasehold status to be converted to the freehold. Depreciation is calculated using the straight-line method to write down the cost of the assets to their residual value over the estimated useful lives, as follows;

Asset Description	% Per annum	Years
Motor Vehicles	25	4
Furniture and fittings	12.5	8
Plant and Machinery	12.5	8
Computers and office equipment	33.3	3
Water pipelines	5	20
Sewerage line	5	20
Buildings	2	50
Water Reservoirs & Storage	2	50
Electro-mechanical, Tools & Equipment	6.67	15
Boreholes	2	50
Intangible Assets	33.3	3

The assets are not depreciated in the year of acquisition. WSPs and CBOs Assets acquired on behalf of Water Services Providers (WSPs) and Community Based Organizations (CBOs) shall not be depreciated.

f) Employee benefits – IPSAS 25
Retirement benefit plans

The Agency provides retirement benefits for its employees as prescribed by regulations issued by Government from time to time. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.



g) Financial Risk

The Agency assumes that no un-expected changes in level of funding required for supporting its investment plans this may be due to changes in national priorities which currently places water at a high level against competing national needs or unreliable donor support.

h) Taxation

The Agency is a Non-Commercial Parastatal under the Ministry of Water, Sanitation & Irrigation dealing with water development and water is a non-taxable commodity, tax has not been provided for.

j) Borrowing costs – IPSAS 5

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

k) Related parties – IPSAS 20

The Agency regards a related party as an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa and for this reason Water Service Providers are related parties to the Agency.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the commercial banks at the end of the financial year.

m) Changes in accounting policies and estimates–IPSAS3

The Agency recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

n) Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the Financial Statements for the year.



Central Rift Valley Water Works Development Agency
 Report and Financial Statements
 For the year ended 30th June, 2022

XV. NOTES TO THE FINANCIAL STATEMENTS

2 Non-current Assets Movement Schedule

Particulars	Land & Buildings Kshs.	W.I.P Kshs.	AfDB Assets Kshs.	Furniture, Fittings Kshs.	Motor Vehicles Kshs.	Computers & Office Equipment Kshs.	Plant & Machinery Kshs.	Totals Kshs.
<u>Cost or Valuation</u>								
As at 01/07/2022	8,401,550	5,633,661,169	2,131,250,902	8,961,132	7,778,720	19,311,057	2,328,737	7,811,693,267
Year adjustments	-	-	-	-	-	-	-	-
Additions During the year	-	773,684,246	-	-	-	-	1,958,452	775,642,698
WIP Transferred to Assets	-	-	-	-	-	-	-	-
Disposal During the year	-	-	-	-	-	-	-	-
TOTAL COST	8,401,550	6,407,345,415	2,131,250,902	8,961,132	7,778,720	19,311,057	4,287,189	8,587,335,965
Year adjustments	-	-	-	-	-	-	-	-
Additions During the year	-	-	-	-	-	-	-	-
WIP Transferred to Assets	-	-	-	-	-	-	-	-
Disposal During the year	-	-	-	-	-	-	-	-
As at 30/06/2022	8,401,550	6,407,345,415	2,131,250,902	8,961,132	7,778,720	19,311,057	4,287,189	8,587,335,965



Central Rift Valley Water Works Development Agency
 Report and Financial Statements
 For the year ended 30th June, 2022

Particulars	Land & Buildings Kshs.	W.I.P Kshs.	AfDB Assets Kshs.	Furniture, Fittings Kshs.	Motor Vehicles Kshs.	Computers & Office Equipment Kshs.	Plant & Machinery Kshs.	Totals Kshs.
<u>Accumulated Depreciation</u>								
As at 01/07/2022	-	-	-	4,164,944	4,933,220	11,307,998	2,328,737	22,734,899
Year adjustments	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	1,120,142	757,780	2,667,684	-	4,545,606
Acc Depr on Disposals	-	-	-	-	-	-	-	-
Accumulated Depr as at 30/6/2022	-	-	-	5,285,086	5,691,000	13,975,682	2,328,737	27,280,505
Year adjustments	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-
Acc Depr on Disposals	-	-	-	-	-	-	-	-
NBV-As at 30/06/2022	8,401,550	6,407,345,415	2,131,250,902	3,676,046	2,087,720	5,335,375	-	8,560,055,460
NBV- As at 30 June 2021	8,401,550	5,633,661,169	2,131,250,902	4,796,188	2,845,500	8,003,059	-	7,788,958,368

(B) Intangible assets: this is made up of consultancies under the project

*Assets acquired under ADB project have not been depreciated since the Generally Accepted Accounting Principles (GAAPs) principle on "matching expense to income" was not met



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

3 Inventories

The Board did not have any stocks as at end of the financial year. Inventories are stated at the lower of cost and net realizable value.

4 Accounts Receivables

Receivables are recognized at fair value. No provision is made for impairment of receivables as there is no objective evidence that the Agency will not be able to collect the amounts due to it according to the terms of original receivable

	2021/2022	2020/2021
	Kshs	Kshs
WSPs Administration Fees	649,241,619	649,241,619
WSPs Loan Repayment (NAWASSCO)	2,757,645	71,827,599
WSPs Loan Repayment (Others)	58,049,162	44,463,188
Staff	158,847	254,860
HP Gauff	0	15,542,442
GIBB International	0	2,823,982
China civil Engineers		9,119,670
Machine Centre	1,730,123	2,183,548
	711,937,397	795,456,908

5 Deposits

	2021/2022	2020/2021
	Kshs	Kshs
Rent (Mugi Properties)	60,000	60,000
Electricity (KPLC)	30,000	30,000
Water (NAWASSCO)	5,000	5,000
	95,000	95,000



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

6 Cash and Cash Equivalents

	Account Numbers	2021/2022 Kshs	2020/2021 Kshs
KCB General Account	1101849835	125,657,493	97,870,479
KCB Development funds - GOK	1101792388	483,316	242,152,974
KCB Revenue Account	1101850973	967,098	202,312,947
KCB Kenya/Italy Account	1116841347	7,912,463	7,914,593
KCB Consumer Deposit Account	1107427126	4,058,958	4,061,414
KCB JICA Rural W/S Account	1152558781	142,565,769	165,448,733
KCB Loan ADf Account	1156932475	62,491,047	26,374,279
KCB Equalization Fund Account	1210825724	2,207,959	6,903,570
		346,344,103	753,038,990

7 Accounts Payables

	2021/2022 Ksh	2020/2021 Ksh
Staff Gratuity and Pension	4,689,842	4,559,990
Voluntary Salary Deduction	593,750	593,750
KCB Consumer deposits Account	4,061,414	4,061,414
KCB Adf Loan Account	62,491,047	26,374,279
General trade creditors	10,993,133	3,982,516
General staff deductions	5,825,397	-
Nairobi Iron Mongers	279,523	279,523
Machiri LTD	1,175,641	1,175,641
Retention money Olkalou	5,708,813	5,708,813
Retention money adb	198,502	198,502
General Development Creditors	198,154,137	8,910,036
General Development Retentions	298,601,950	236,171,886
The National Treasury	-	266,017,726
	592,773,149	558,034,076

8 Capital and Reserves

	Capital Fund Kshs	Revenue Reserves Kshs	TOTAL Ksh
Year ended June 2022			
Balances at start of period	4,664,579,913	2,230,005,852	6,894,585,765
Funds received during the year	372,288,498	-	372,288,498
Surplus for the year	-	(69,230,275)	(69,230,275)
Balances end of the year	5,036,868,411	2,160,775,577	7,197,643,988



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

9 Income

	2021/2022	2020/2021
	Ksh	Ksh
Revenue from non-exchange transactions	720,002,213	452,005,291
Revenue from exchange transactions		
Receipts From Water Quality Test	15,511,256	601,100
Foreign Exchange gains/Losses	227,498	-
Interest received from Investments	14,000,239	20,809,522
WHT Contractors AfDB	-	18,973,633
Rental Services-Bill Board	-	214,000
WSPs Loan Repayment	54,289,608	54,289,608
Total Revenue	804,030,813	546,893,154

10 Other Operating Expenses/Administrative Expenses

	2021/2022	2020/2021
	Ksh	Ksh
Corporate social responsibility expenses*	1,644,776	-
Travel & Accommodation- Local Trips	20,185,765	47,807,707
Monitoring and evaluation expense**	870,100	-
Transport Operating Expense*	8,547,505	-
General office Expenses/ Supplies	3,917,082	3,418,883
Official Entertainment expenses	2,214,646	3,052,091
Electricity Water and sewerage expenses	1,301,093	1,060,566
Staff welfare Expenses	4,484,530	3,330,170
Telephone & Internet Expense	552,396	427,855
Finance costs (2.5%)	15,409,397	-
Bank charges*	2,646,978	-
Training expenses*	7,672,081	-
Planning & Design Expenses	237,600	-
Staff recruitment expenses	261,360	-
Laboratory Operations	96,380	-
Courier and postal services	472,464	564,405
Advertising, Publicity & Trade shows Expenses	3,778,732	2,866,726
Subscriptions to prof. membership bodies	140,060	292,730
Staff cost/personnel cost	-	81,082,386
accessories computers	-	5,200,600
insurance	-	10,200,752
ERP	-	5,490,060
Medical	-	132,592
Publishing & printing	-	1,690,056
Total Other operating expenses	74,432,945	166,617,579



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

11 Work-in-Progress

These water and sewerage projects whose works are continuing and are treated as work in-progress in the accounts until all project components are complete and handed over.

	2021/2022	2020/2021
	Ksh	Ksh
Kirandich Phase II water supply	202,680,988	202,436,188
Itare dam water supply	897,299,881	679,291,210
Chemususu Phase II W/S	3,113,744,063	3,027,779,867
Iten Sabor Water Project	167,618,647	167,618,647
AfDB Funded Projects	486,113,013	377,089,539
Naivasha Industrial Park	1,078,537,008	803,356,215
Dams & Pans	345,749,423	260,487,112
Olkalou Town Water Project	115,602,391	115,602,391
Total	6,407,345,415	5,633,661,169

12 Repairs of Water Supplies and support to schemes/Project Expenses

	2021/2022	2020/2021
	Ksh	Ksh
Lake Nakuru Bio-diversity Improvement W/P	1,350,300	761,359
Kaptumo Water Supply Project	298,200	-
Rehabilitation of Water Supply Rift Valley	39,227,203	5,886,618
JICA program Expenses	68,617,956	29,588,359
Equalization program expenses	18,040,598	36,492,963
Cross County Program Expenses	65,910,661	15,349,759
Universal Health Coverage Expenses	53,005,713	14,801,119
Drought Mitigation program expenses	38,262,781	50,806,090
Water for Schools Expenses	89,586,233	58,667,628
Olkalao Boreholes water supply expenses	49,011,658	-
National Water Harve & Ground Water Explo Expenses	120,370,717	31,998,818
Construction and rehabilitation of water pans in Arid/Semi-arid Expenses	21,361,321	-
Public priority program Expenses	63,804,826	312,652,652
Strategic initiative project Expenses	40,272,621	60,585,346
Support NRVWDA	-	21,399,574
Monitoring & Evaluation	-	2,512,800
Support WSP	-	445,200
Maintenance	-	2,025,639
Total Project Expenses	669,120,788	643,973,921



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

13 **Loan AfDB**

The AfDB loan is on-lending to the Agency. The Government of Kenya took the loan from AfDB. However, there was no funds in relation to loans received during the period.

a) **Principal outstanding**

	2021/2022	2020/2021
	Kshs	Kshs
Balance B/F	1,269,997,571	1,279,797,571
Remittances during the year	72,419,000	9,800,000
	<u>1,197,578,571</u>	<u>1,269,997,571</u>

b) **Principal Repayment**

	2021/2022	2020/2021
	Kshs	Kshs
The National Treasury	72,419,000	9,800,000
	<u>72,419,000</u>	<u>9,800,000</u>

c) **AfDB Loan**

	2021/2022	2020/2021
	Kshs	Kshs
The National Treasury (Redemption)	54,289,608	54,289,608
	<u>54,289,608</u>	<u>54,289,608</u>

d) **Loan interest**

	2021/2022	2020/2021
	Kshs	Kshs
Balance B/F	614,931,854	595,465,938
charge for the year	15,409,397	19,465,916
	<u>630,341,251</u>	<u>614,931,854</u>



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

14 Staff Costs

	2021/2022	2020/2021
	Ksh	Ksh
Personnel Emoluments	-	81,082,386
Basic salary	36,417,995	
House allowance	9,895,000	
Entertainment allowance	180,000	
Commuter allowance	3,360,000	
Staff gratuity and pension	4,661,548	
Non-Practice Allowance	480,000	
Airtime allowances	1,194,000	
Extraneous Allowance	84,000	
Stipend Allowances	2,905,000	
Leave allowances	3,301,089	
Acting Allowance	839,928	
Consolidated Pay	4,096,108	
Total Staff Costs	67,414,668	81,082,386

15 Board of Directors Expenses

	2021/2022	2020/2021
	Ksh	Ksh
Board of Directors Allowances	-	29,886,222
BOD-Sitting allowances	8,307,368	
BOD-Travel & accomod- local trips	11,065,600	
BOD-Training Expenses	757,602	
BOD-Airtime Allowances	83,000	
BOD-Lunch Allowances	666,536	
BOD-Mileage allowances	2,013,359	
BOD-Medical Insurance costs	560,601	
Honoraria- Chairman	967,000	
Total	24,421,066	29,886,222
Honoraria- Chairman		880,000

16 Newspapers and other periodicals

	2021/2022	2020/2021
	Ksh	Ksh
Publishing and printing Expenses	206,840	1,690,056
Subscriptions to Publications Expenses	48,000	292,730
Total	254,840	1,982,782



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

17 Insurance expenses

	2021/2022	2020/2021
	Ksh	Ksh
Staff Medical Insurance Expense	7,183,940	10,200,752
Insurance-Motor vehicles	1,054,662	
Total Insurance Expenses	8,238,602	10,200,752

18 Maintenance

	2021/2022	2020/2021
	Ksh	Ksh
Maintenance	-	2,025,639
Repair & Maintenance-Buildings	4,483,716	
Repair & Maintenance-Computers, printers accessories	2,783,512	
Repair & Maintenance-Plant, equipment & machinery	167,880	
Total Maintenance	7,435,108	2,025,639

19 Contracted Professional Services

	2021/2022	2020/2021
	Ksh	Ksh
Professional Service	5,900,056	19,061,061
Security & Cleaning Services	5,014,344	2,760,391
Prof. Service -Research & Design	2,910,720	
Prof. Services-Strategic plan & Dev	2,940,845	5,072,000
ERP System Support Expenses	631,500	5,490,060
Total Contracted Professional Services	17,397,465	32,383,452

20 Related Party Relations

The Water Act 2016 establishes relations with the County Governments and the parent Ministry by Providing technical support to the Cabinet Secretary. In this regard the Agency provided technical and capacity building services to County Governments and Water Services Providers upon them requesting. The Agency is one among the institutions established under the Ministry of Water, Sanitation and Irrigation therefore its operations is funded through the Ministry.

21 Reporting Currency

The currency used is Kenya Shillings (KSHS)



XVI. APPENDIX 1: IMPLEMENTATION STATUS OF AUDITOR-GENERAL'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments to that which 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	Status: (Resolved / Not Resolved)	Timeframe
1	Unsupported loan repayment. the loan agreement, loan statement and /or the ledger in support of the loan repayment balances were not provided for audit verification. In the circumstances the accuracy, propriety and fair statement of the reported loan repayment balances of kshs.71,827 599 as at 30 June ,2021 could not be confirmed.	The management is in consultations with the National Treasury to carry out a reconciliation of the debt while trying to negotiate for a waiver on the interests and penalties.	Not Resolved	
2	Unsupported accounts payables the account payables reflect general development retention amount of kshs 236,171,886 which was not supported with the ledger. Consequently, the accuracy and fair presentation of the accounts payables balance of kshs. 558,034,076 could not be confirmed as at 30 June 2021.	The analysis and the ledgers in support of the general development retentions balances included in accounts payable of Kshs.236,171,886 is available. (Copies attached)	Not Resolved	
3	Unvalued Assets -property, plant and Equipment The assets have not been valued and incorporated in the agency financial statements despite continued usage to generate revenue. The management attributed this to lack of formal	The assets had not been valued as management plans to make budgetary proposals in a board paper to the board for recommendation to carry out asset	Not Resolved	



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

	transfer of assets, but no action has been taken to resolve this matter. In the circumstance, the accuracy and fair presentation of property, plant and equipment balance of kshs 2,155,297,199 as at 30 June 2021 could not be confirmed.	valuation exercise in the next budgeting cycle for all its assets.		
4	Itare dam water supply -the expenditure of kshs 22,770,105 was not made irregularly after the project was terminated and detailed s of the payee were not provided. Therefore, validity of the payment of kshs 22, 770,105 could not be confirmed as at 30 June 2021.	The Management did made request to the PS/Ministry of Water, Sanitation and Irrigation for a budgetary allocation to sustain the security detail manning the facility.	Not Resolved	
5	Unsupported Expenditure - Kirandich phase II In the circumstances, the expenditure on the project of kshs 2,370,360 and its status as at 30 June, 2021 could not be confirmed.	The documents supporting the schedule of Kshs. 2,370,360 were availed during response.	Not Resolved	

(i)Use the same reference numbers as contained in the external audit report;

(ii)Obtain the Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management

(iii)Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

(iv)Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report.

to National Treasury

Remarks

The Agency has not been invited to present its audit report 2020/2021, the above appendix has therefore not been completed.

Eng. Samuel K. Oruma
Chief Executive Officer

Date 27/3/2023



Central Rift Valley Water Works Development Agency
 Report and Financial Statements
 For the year ended 30th June, 2022

XVII. APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY
Projects implemented by the Agency Funded by development partners

Project title	Project Number	Source of Funds	Period/ duration in Months	Donor commitment Ksh '000'	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Chemususu Phase II W/S	RVWSB/AD/W ORKS/14/1	GoK	24	3,500,000	N	Y
Kirandich Phase II W/S	KIRANDICH/II /02/LOT 1	GoK/	24	1,800,000	N	Y
AfDB Funded- Kenya Towns Sustainable Water Supply And Sanitation Programme	<i>Annex 1</i>	GoK/AfDB	48	1,360,000	Y	Y
Itare Dam W/S	RVWSB/AD/W ORKS/13/1 (works)	GoK/Itallian Cooperation	48	34,000,000	N	Y
Naivasha Industrial Park	RVWWDA/NIP /WORKS/2018-2019	GoK	18	1,300,000	N	Y
Lake Nakuru Biodiversity Conservation program(LNBCP)	RVWSB/PROC/ CTC/277	GoK/KfW	12	177,000	N	Y
JICA funded Baringo projects	<i>Annex 2</i>	GoK	36	345,100	N	Y
Water for Schools programme	<i>Annex 3</i>	GoK/			N	Y
Public Priority fund projects	<i>Annex 4</i>	GoK/			N	Y
Small Dams & Pans	<i>Annex 5</i>	GoK/			N	Y
Rehabilitation of water supplies	<i>Annex 6</i>	GoK/			N	Y
Cross County Projects	<i>Annex 7</i>	GoK/			N	Y
National Water Harvesting & ground Exploration	<i>Annex 8</i>	GoK/			N	Y
Ol kalou Borehole Projects	<i>Annex 9</i>	Gok			N	Y
Universal Health Coverage	<i>Annex 10</i>	GoK/			N	Y
Dams For Peace	<i>Annex 11</i>	GoK/			N	Y



Central Rift Valley Water Works Development Agency
 Report and Financial Statements
 For the year ended 30th June, 2022

Status of Projects completion

No	Project	project Cost Ksh '000'	Total expended to date Ksh '000'	Completion % to date	Budget Kshs '000'	Actual Kshs '000' 2021/2022	Sources of funds
1	Chemususu Phase II W/P	3,500,000	3,113,744	94	300,000	300,000	GoK
2	Kirandich Phase II W/S	1,800,000	202,681	15	40,000	30,000	Gok/Italy
3	AfDB Funded Projects	1,360,000	<i>Annex 1</i>	75	3,337,554	250,000	GoK/AfDB
4	Itare Dam W/S	34,000,000		27	0	0	Gok/Italy
5	Naivasha Industrial Park	1,300,000	1,078,537	100	0	0	GoK
6	JICA funded Baringo projects	345,100	<i>Annex 2</i>		0	0	JICA
7	Lake Nakuru Biodiversity			24	50,000	50,000	GoK/KfW
8	Water for Schools programme		<i>Annex 3</i>		0	32,000	GoK
9	Public Priority fund projects		<i>Annex 4</i>		0	0	GoK
10	Dams & Pans		<i>Annex 5</i>		0	0	GoK
11	Rehabilitation of water supplies		<i>Annex 6</i>		0	30,000	GoK
12	Cross County Projects		<i>Annex 7</i>		0	142,000	GoK
13	National Water Harvesting & Ground Water Exploration		<i>Annex 8</i>		0	80,500	GoK
14	Ol kalou Boreholes Projects		<i>Annex 9</i>		0	0	GoK
15	Universal Health Coverage		<i>Annex 10</i>		0	44,0510	GoK
16	Dams for Peace		<i>Annex 11</i>		0	0	GoK

(Summarize the status of project completion at the end of each quarter, ie total costs incurred, stage which the project is etc)

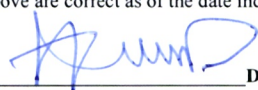


Central Rift Valley Water Works Development Agency
 Report and Financial Statements
 For the year ended 30th June, 2022

XVIII. APPENDIX III: INTER-ENTITY TRANSFERS -CONFIRMATION LETTER

Confirmation of amounts received by CRVWDA as at 30 th June 2022						Amount Received (KShs) as at 30 th June 2022 (E)	Differences (F)=(D-E)
Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30 th June 2022							
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	(E)	(F)=(D-E)
	5/7/2021	15,250,000				15,250,000	
	9/7/2021		63,750,000			63,750,000	
national water harvesting B/D budget	9/7/2021		0	50,000,000		50,000,000	
Cross County B/D budget	9/7/2021			90,000,000		90,000,000	
	11/8/2021	14,666,667				14,666,667	
	26/8/2021	-	175,375,000			175,375,000	
	29/9/2021	14,666,666				14,666,666	
	7/9/2021	14,666,667				14,666,667	
water for schools half budget	29/10/2021			32,000,000		32,000,000	
Cross County half budget	29/10/2021			28,000,000		28,000,000	
national water harvesting half budget	29/10/2021			30,500,000		30,500,000	
	1/11/2021	-	175,375,000			175,375,000	
	4/11/2021	14,666,667				14,666,667	
Drought mitigation budget	19/11/2021			40,000,000		40,000,000	
Universal health Coverage	25/11/2021			34,365,000		34,365,000	
	1/12/2021	14,666,667				14,666,667	
	10/1/2022	14,666,666				14,666,666	
	7/2/2022	14,666,667				14,666,667	
	2/3/2022	14,666,667				14,666,667	
	4/4/2022	14,666,666				14,666,666	
KITI	26/4/2022	-		10,000,000		10,000,000	
	7/5/2022	14,666,667				14,666,667	
	9/5/2022	14,666,667				14,666,667	
Cross County half budget	9/5/2022	-		24,000,000		24,000,000	
	20/5/2022	-	75,375,000			75,375,000	
Universal health Coverage	23/6/2022	-		9,686,000		9,686,000	
	30/06/2022	14,666,667				14,666,667	
Total		191,250,001	489,875,000	348,551,000		1,029,676,001	

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

Name CPA Douglas Murei Sign  Date 27.3.23



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022



Central Rift Valley Water Works Development Agency
 Report and Financial Statements
 For the year ended 30th June, 2022

XIX. ANNEXES

Annex 1

AfDB funded Kenya Towns Sustainable Water Supply and Sanitation Programme

S/No.	Project Title	Total Project Cost (Kshs)	Total Expended to date (Kshs)	% Completion	Budget	Actual (Kshs)	Sources of funds
1	Design review, tender documents and supervision of works for Narok Town Sewerage Project	185,115,670	164,030,050	100	185,379,728	185,115,670	AfDB & GoK
2	Narok Sewerage works and Last Mile Connectivity for Water Supply	1,477,780,324	1,474,846,530	100	1,453,797,278	1,477,780,324	AfDB & GoK
3	design review and supervision for Olkalou Sewerage Project	40,958,643	29,097,896	90	36,088,937	40,958,643	AfDB & GoK
4	Olkalou Town Sewerage Project works	589,021,144	326,380,425	90	360,889,368	589,021,144	AfDB & GoK
5	design review and supervision Kapenguria-Makutano Sewerage Project	61,263,851	42,865,403		49,393,847	61,263,851	AfDB & GoK
6	Kapenguria Sewerage Project works	482,110,132	96,422,026		270,984,941	482,110,132	AfDB & GoK
7	Chepareria Sewerage Project works	217,096,202	100,882,860	99	222,953,525	217,096,202	AfDB & GoK
8	Feasibility Study, Detailed Design and Tender Documents of Amaya Dam Water Supply Project	81,234,971	64,701,701	100	90,000,000	81,234,971	AfDB & GoK
9	Feasibility Study, Detailed Design and Tender Documents of Bergei Water Supply Project	93,057,462	37,004,661	75	93,600,000	43,170,000	AfDB & GoK
10	Feasibility Study, Detailed Design and Tender Documents of the Proposed Eldama Ravine Water Supply Project	34,803,556	24,457,742	100	407,964,250	34,803,556	AfDB & GoK



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

Annex2

JICA Projects

S/No.	Project	Total project cost (Kshs)	Total expended to date (Kshs)	Completion % to date	Budget	Actual	Sources of funds
1	Asenwe Community Borehole Wp	7,818,514.00	2,837,067.62	100%			JICA
2	Barkatiew Community Borehole Wp	8,271,617.00	1,381,212.00	30%			JICA
3	Kabarabaya Community Borehole Wp	7,577,794.00	2,000,000.00	100%			JICA
4	Kabergei Community Borehole Wp	8,300,967.00	-	90%			JICA
5	Kaiso Community Borehole Wp	7,805,180.30	1,786,933.60	100%			JICA
6	Kapsiloi Community Borehole Wp	8,271,617.00	1,029,152.00	40%			JICA
7	Kaptir Community BorholeWp	8,171,453.00	-	32%			JICA
8	Kapyemit Community Borehole Wp	8,256,307.00	2,250,446.00	100%			JICA
9	Kimoriot Community Borehole Wp	7,724,464.00	-	40%			JICA
10	Kupotwin Community Borehole Wp	8,069,373.00	-	100%			JICA
11	Lelnane Community Borehole Wp	7,620,360.00	2,766,300.00	70%			JICA
12	Lemelok Community Borehole Wp	8,171,453.00	1,713,644.80	100%			JICA
13	Marram (Kacheptuyo)	7,674,502.00	3,531,178.50	100%			JICA
14	Mosuro Community Borehole Wp	8,882,056.92	2,074,192.00	100%			JICA
15	Nato Community Borehole W	7,510,041.00	6,172,620.00	100%			JICA
16	Pkaghit Community Borehole Wp	7,539,697.00	2,537,000.00	53%			JICA
17	Rimo Community Borehole Wp	7,802,740.00	3,929,378.66	100%			JICA
18	Sesoche Community Borehole Wp	7,782,775.44	6,027,104.80	100%			JICA
19	Sorti Community Borehole Wp	7,657,837.00	2,425,000.00	50%			JICA
20	Tabagon Community Borehole Wp	7,549,850.00	-	95%			JICA



Central Rift Valley Water Works Development Agency
 Report and Financial Statements
 For the year ended 30th June, 2022

21	Tenges Community Borehole Wp	7,459,703.66	5,762,144.98	100%			JICA
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Annex 3

Water for Schools Water Projects

S/No.	Project	Total project cost (Kshs)	Total expended to date (Kshs)	Completion % to date	Budget	Actual	Sources of funds
1	AC Primary School Borehole Water Project	6,786,252.00	2,718,780.00	85%			Gok
2	Emanimon Borehole	8,042,091.00	3,969,853.65	98%			Gok
3	Kaimbaga Borehole	8,622,328.00	-	30%			Gok
4	Kaimbaga Borehole	8,622,328.00	5,747,712.45	100%			Gok
5	Kanjuri Borehole	7,922,586.59	2,072,720.00	25%			Gok
6	KapKiamo Primary School Borehole	8,506,476.00	6,199,892.60	100%			Gok
7	Kiheo Borehole	7,483,685.00	2,001,160.00	85%			Gok
8	Kiplombe Secondary school borehole	7,108,284.00	2,974,950.00	98%			Gok
9	KotulpoghBh	8,458,211.00	5,784,497.00	99%			Gok
10	Lelgel Primary School Borehole	3,417,165.40	-	100%			
11	Maji Nyekundu Borehole	7,787,346.00	5,026,760.00	100%			Gok
12	Matundura Borehole	7,483,685.00	2,199,140.00	85%			Gok
13	Metkei Girls Borehole Water Project	3,769,500.00	1,552,906.15	100%			Gok
14	Nandi Primary School Borehole	7,989,311.00	3,334,858.52	100%			Gok
15	Nyangatia primary school	8,444,025.00	1,555,200.00	50%			Gok
16	Oljororok Borehole	7,461,685.00	1,663,960.00	98%			Gok
17	Olkalou Industrial Park Borehole Water Project	10,606,365.00	5,560,534.00	74%			Gok
18	Orinie Primary School Borehole Water Project	3,843,300.00	2,289,914.18	98%			Gok
19	Orokwo Primary School	7,372,816.00	1,874,470.00	10%			Gok



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

Annex 4

Public Priority Projects

S/No.	Project	Total project cost (Kshs)	Total expended to date (Kshs)	Completion % to date	Budget	Actual	Sources of funds
1	Chebiar-Sabor-Iten Water Project	3,954,825.00	-	100%			GoK
2	Construction works for Soibei community water project	3,375,882.00	3,012,315.00	99%			
3	Drilling of Kwa Mugathika borehole	4,086,988.50	3,911,924.00	100%			Gok
4	Gachwe Primary School Borehole	8,989,014.00	8,568,586.00	100%			Gok
5	Kiamariga primary	8,420,357.00	2,040,784.83	100%			GoK
6	Kio primary	7,699,450.00	2,810,640.00	80%			Gok
7	Makoi Water Supply Project	6,259,480.50	5,532,210.00	100%			GoK
8	Miteta primary	7,427,210.00	2,968,980.00	85%			Gok
9	Pesi/Kabaa Primary school borehole	4,575,953.00	-	60%			Gok
10	Rutara Dam Phase 1	39,883,547.55	25,536,426.00	98%			Gok
11	Simotwo primary	8,569,792.00	2,612,450.00	100%			GoK

Annex 5

Small Dams, Pans

S/No.	Project	Total project cost (Kshs)	Total expended to date (Kshs)	Completion % to date	Budget	Actual	Sources of funds
1	Barina water pan	8,390,030.00	5,824,430.00	98%			Gok
2	Gathara Water Pan	4,854,350.00	3,980,400.00	100%			
3	Keringet dam	7,531,540.00	7,462,780.00	100%			
4	Kihuha dam	7,329,720.00	2,965,520.00	70			Gok
5	Kimotony water pan	6,071,982.40	2,963 500	70%			Gok
6	Kipchepchep Water Pan	5,441,942.00	4,719,160.00	100%			
7	Kitipanolkipunyi water point	9,864,483.20	9,838,542.60	100%			
8	Lokishakona Water Pan	6,730,086.00	-	70%			Gok
9	Maisa water pan	8,216,340.00	-	100%			Gok
10	Miirini dam	6,288,705.05	3,803,525.00	100%			



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

11	Nadwat Community Borehole	7,500,920.00	-	0%			Gok
12	Nessuit water pan	5,048,144.00	4,800,587.20	100%			Gok
13	Ulukuse and LochoiAikeny water pan	18,531,205.00	15,450,310.00	100			

Annex 6

Rehabilitation Of Water Pans In Arid/Semi-Arid Areas Programme

S/No.	Project	Total project cost (Kshs)	Total expended to date (Kshs)	Completion % to date	Budget	Actual	Sources of funds
1	Chesra Pan		-	0%			GoK
2	Ilkamaniki Dam Water Project	32,737,180.00	17,462,518.20	95%			
3	Lettari Borehole Water Project	7,671,016.00	2,077,400.00	98%			Gok
4	Lokishakona Dam		-	0%			GoK
5	Nasuret Borehole Water Project	8,307,882.00	4,986,220.96	100%			
6	Olmusakwa pri School Borehole Water Project	7,671,013.00	2,089,800.00	98%			Gok
7	Pruok Primary School Borehole	8,581,815.00	-	33%			GoK

Annex 7

Cross County Projects Programme

S/No.	Project	Total project cost (Kshs)	Total expended to date (Kshs)	Completion % to date	Budget	Actual	Sources of funds
1	Githinji Primary School Borehole	7,974,346.00	7,192,560.00	100%			Gok
2	IndonyoOseroLempere Borehole	7,205,690.00	1,765,520.00	80%			GoK
3	Kagumo Borehole Project	7,339,381.72	1,267,395.00	34%			Gok
4	Karigoini primary school	8,000,000.00		0%			GoK
5	Mawingo(Karugutu primary school) Borehole	7,996,346.00	3,105,000.00	70%			Gok
6	Mukurweini Water supply project	23,737,734.90	13,581,460.60	90%			Gok
7	Mwicirirngiri borehole	7,674,974.66	2,489,715.00	30%			GoK
8	Tinosiek borehole	7,256,340.00	4,269,406.40	100%			
9	Tuiseru borehole	7,287,108.00	5,286,260.65	100%			Gok



Central Rift Valley Water Works Development Agency
Report and Financial Statements
For the year ended 30th June, 2022

Annex 8

National Water Harvesting And Ground Water Exploitation Programme

S/No.	Project	Total project cost (Kshs)	Total expended to date (Kshs)	Completion % to date	Budget	Actual	Sources of funds
1	Gatimu Borehole Water Project	7,512,010.00	693,845.69	20%			Gok
2	Jowatho Community Borehole	7,337,638.00	6,122,260.00	100%			Gok
3	Kagaa Community Police Post Borehole	7,698,658.00	5,735,580.00	100%			Gok
4	Kalkuna Primary school Borehole	8,752,759.00	3,779,788.80	70%			Gok
5	Kaptiriony Secondary School Borehole	7,315,137.72	4,057,645.10	76%			Gok
6	Kimamoi water project	4,959,882.50	4,463,894.25	100%			GoK
7	Lare Borehole Water Project	7,051,300.00	967,000.00	50%			Gok
8		4,000,070.00	3,073,160.00	50%			Gok
9	Leshao - Karagoi Water Supply	26,035,100.00	21,034,980.00	100%			Gok
10	Likia Police Water Project	3,174,600.00	4,417,250.00	100%			Gok
11	Lolmolok water supply	8,427,500.00	6,774,500.00	100%			GoK
12	Napeitom Water Pan	6,944,740.00	-	5%			Gok
13	Ndeffo Water Project	4,946,029.00	4,203,300.00	100%			Gok
14	Ndeffo Water Project (Likia Police)	4,000,000.00		0%			GoK
15	Oldebes Dam	80,000,000.00	-	0%			GoK
16	Oloi BorSoito Primary School	7,362,410.00	-	42%			Gok
17	Piave Borehole	7,967,718.00	-	100%			Gok
18	Sinonin-Tuigoin	4,883,650.00	4,395,285.00	100%			Gok
19	TaitaMauche Secondary School Borehole Water Project	7,766,301.40	1,891,090.00	40%			Gok
20	Umande ward water supply project	28,301,414.00	12,547,755.32	98%			Gok

Annex 9

Ol Kalou Boreholes Water Supply Programme

S/No	Project Name	Contract / Allocation Sum (Kshs)	Expenditure (Kshs)	% of	Budget	Actual	Source of funds
1	Aboretum	8,746,628.00	7,293,902.00	100%			GoK
2	Captain	8,600,328.00	6,949,690.00	100%			Gok
3	ECDE	8,569,077.00	5,607,039.20	100%			Gok
4	JM Village	8,600,328.00	6,940,660.00	100%			GoK



Central Rift Valley Water Works Development Agency
 Report and Financial Statements
 For the year ended 30th June, 2022

5	Kaimbaga Dispensary (Simba Pri)	8,622,328.00	7,380,638.00	100%			GoK
6	Kiganjo	8,657,485.00	7,408,254.24	100%			GoK
7	Kware	8,688,835.00	6,444,734.68	100%			GoK
8	Mwihoti	8,800,272.00	5,722,707.00	100%			Gok
9	Nyambugi	9,353,861.00	6,088,910.00	100%			Gok
10	Twenty –Two Tank Site	8,569,077.00	5,736,844.00	100%			GoK

Annex 10

Universal Health Coverage Programme

S/N	Project	Total project cost (Kshs)	Expenditure to date (Kshs)	Percentage of completion	Budget	Actual	Source of funds
1	Annex hospital	3,197,920.00	2,688,700.00	30%			Gok
2	Kipkaech(Ngetmoi) dispensary	8,715,124.00	6,453,980.00	100%			Gok
3	Mogotio Sub- County hospital	7,298,750	3,058,060.70	56%			GoK
4	Nakuru Provincial hospital	3,120,150	2,886,900	100%			GoK

Annex 11

Dams for Peace

S/No.	Project	Total project cost (Kshs)	Total expended to date (Kshs)	Completion % to date	Budget	Actual	Sources of funds
1	Kases Dam	249,000,000.00	228,532,379.23	100%			Gok
2	Chepkesin Dam	0	-				GoK
3	Chemorong'ion Dam		-				GoK