

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED**

**30 JUNE, 2023**

**TANA WATER WORKS DEVELOPMENT  
AGENCY**



PARLIAMENT  
OF KENYA  
LIBRARY

THE NATIONAL ARCHIVES  
PAPER EASY  
DATE: 07 DEC 2023  
Hon Brian Bayo, CBSM  
Deputy majority leader  
Mr. Shubaka









**PROGRAMME NAME: KENYA TOWNS SUSTAINABLE WATER SUPPLY AND SANITATION  
PROGRAMME (KTSWSSP)**

**IMPLEMENTING ENTITY: TANA WATER WORKS DEVELOPMENT AGENCY**

**PROGRAMME LOAN NUMBER: 2000200000501**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2023**

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





**Tana Water Works Development Agency  
Kenya Towns Sustainable Water Supply and Sanitation Programme  
Annual Report and Financial Statements for the financial year ended June 30, 2023**



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

ADF	African Development Fund
AfDB	African Development Bank
BCOM	Bachelor of Commerce
BSc	Bachelor of Science
CEO	Chief Executive Officer
CPA (K)	Certified Public Accountant
CS (K)	Corporation Secretary
DN	Nominal Diameter
DWC	Double Walled Corrugated
ERP	Enterprise Resource Planner
ENG	Engineer
FY	Financial Year
GoK	Government of Kenya
GRP	Glass Reinforced Plastic
HDPE	High Density Polyethylene
ICPAK	Institute of Certified Public Accountants of Kenya
IFMIS	Integrated Financial Management Information System
IPSAS	International Public Sector Accounting Standards
KENHA	Kenya National Highways Authority
KERRA	Kenya Rural Roads Authority
Kshs.	Kenya Shillings
KURA	Kenya Urban Roads Authority
KM	Kilometres



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KTTSWSSP	Kenya Towns Sustainable Water Supply and Sanitation Programme
MA	Master of Arts
MBA	Master of Business Administration
MSc	Master of Science
MM	Millimetres
NWWDA	Northern Water Works Development Agency
NO	Number
PCC	Pre-Cast Concrete
PSASB	Public Sector Accounting Standards Board
SDA	Special Deposit Account
SMART	Specific Measurable Achievable Realistic and Time Bound
TWWDA	Tana Water Works Development Agency
UA	Units of Accounts
UPVC	Unplasticised polyvinyl chloride
USD	United States Dollar
WSP	Water Service Provider
WWDA	Water Works Development Agencies

## 2. Programme Information and Overall Performance

### 2.1 Name and registered office

#### Name

The Programme's official name is Kenya Towns Sustainable Water Supply and Sanitation Programme (KTSWSSP).

#### Objective

The key objective of the Programme is to improve the access, quality, availability and sustainability of water supply and wastewater management services in multiple towns in Kenya, with a view to catalysing commercial activities, driving economic growth, employment creation, improving quality of life of the people and building resilience against climate variability and change.

#### Address

The Programme headquarters office is in Nyeri Town, Nyeri County in Kenya. The address of its registered office is:

Tana Water Works Development Agency  
Baden Powell Rd.  
Nyeri Town, Kenya  
P.O. Box 1292-10100  
**Nyeri.**

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

P.O. Box 1292-10100, Nyeri

Telephone: 061-2032282

E-mail: [info@tanawwda.go.ke](mailto:info@tanawwda.go.ke) or [ceo@tanawwda.go.ke](mailto:ceo@tanawwda.go.ke)

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

### 2.2 Programme Information

Programme Start Date:	09 January 2017
Programme End Date:	31 December 2023
Programme Manager:	Eng. Philip Gichuki
Programme Sponsor:	African Development Bank



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

**2.3 Programme Overview**

Line Ministry	Ministry of Water, Sanitation and Irrigation
Programme Number	P-KE-E00-011
Strategic Goals of the programme	<p>The Strategic Goals of the Programme are:</p> <ol style="list-style-type: none"> <li>i. To improve the access, quality, availability and sustainability of water supply services in the Kenya towns of Kerugoya, Kutus, Chuka, Chogoria, Murang'a, Mandera, Marsabit, Isiolo, Garissa and Loiyangalani with a view to catalyzing commercial activities, driving economic growth and employment creation.</li> <li>ii. To improve the access to wastewater management services in the Kenya towns of Kerugoya, Kutus, Chuka, Chogoria, Meru, Othaya, Mandera, Marsabit, Isiolo, Loiyangalani and Nanyuki with a view to catalyzing commercial activities, driving economic growth, and employment creation.</li> </ol>
Summary of programme strategies for achievement of strategic goals	<p>The Programme Management aims to achieve the goals through the following means:</p> <ol style="list-style-type: none"> <li>i. Construction of water supply infrastructure for improved water services in 10 No. Kenyan towns.</li> <li>ii. Construction of sewerage infrastructure for improved sanitation services in 11 No. Kenyan towns.</li> </ol>
Other important background information of the programme	<p>The Programme aims are to:</p> <ol style="list-style-type: none"> <li>i. Improve the health and quality of life in 13 No. towns.</li> <li>ii. Reduce poverty levels of the population through provision of water and sanitation services on a sustainable basis and employment creation in 13 No. Towns</li> <li>iii. Catalyse commercial activities to drive economic growth in 13 No. towns</li> </ol>
Areas that the programme was formed to intervene	<p>The Programme was formed to intervene in the following areas:</p> <ol style="list-style-type: none"> <li>i. Water coverage where the water needs are not being addressed by any other Development Partners in 10 No. towns.</li> <li>ii. Sewerage coverage where sanitation needs is not being addressed by any other Development Partners in 11 No. towns</li> <li>iii. Last Mile Connectivity to customers to complement the completed Programme in the towns of Murang'a, Othaya, Garissa and Isiolo.</li> <li>iv. Water quality testing by constructing laboratory and equipping of the laboratory in 7 No. Kenya towns.</li> <li>v. Sewerage test by constructing laboratory and equipping of the laboratory in 7 No. Kenyan towns.</li> <li>vi. Capacity development of Water Service Providers and the Agency staff through trainings in 11 No. Towns</li> </ol>

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	<ul style="list-style-type: none"> <li>vii. Bills Processing by installing billing software to increase efficiency in billing process in 6 No. towns.</li> <li>viii. Non-Revenue Water Management by procuring of water meters and Leak Detection Equipment for Non-Revenue Water Management in 6 No. towns</li> <li>ix. Resilience against climate variability and change by Construction of Biogas Domes in 3 No. towns.</li> <li>x. Agencies Resource Management by installation of Enterprise Resource Planner (ERP) in the 2 Agencies.</li> <li>xi. Building capacity of 5 No. Water Service Providers by Procurement of 8 No. of Vacuum Exhausters.</li> </ul>
Programme duration	7 Years

**2.4 Bankers**

The following is the banker for the programme:

Kenya Commercial Bank

Nyeri Branch

P.O Box 215-10100

Nyeri, KENYA

**2.5 Auditors**

The Programme is audited by the Office of the Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya



## Programme Information and Overall Performance (Continued)

### 2.6 Roles and Responsibilities

The following officers are involved in the Programme implementation;

Names	Title Designation	Key Qualification	Responsibilities
Eng. Philip Gichuki	CEO	MSc. (Agricultural Engineering), BSc (Civil Engineering)	<ul style="list-style-type: none"> <li>• Ensuring Fiduciary Responsibilities relating to the Programme are in accordance to the Financing Agreement.</li> <li>• Monitoring overall Programme progress.</li> <li>• Ensuring AfDB Programme implementation guidelines are complied with.</li> <li>• Ensuring Programme progress report is prepared and is accurate.</li> <li>• Ensuring Programme Financial Statements are prepared.</li> <li>• Ensuring direct payments are submitted to the parent Ministry for onward transmission to The National Treasury and Planning and AfDB.</li> <li>• Ensuring adequate funds for direct payment and counterpart are allocated in the budget.</li> <li>• Overseeing Programme procurement plan for the programme</li> <li>• Ensuring adherence to AfDB guidelines in the procurement of Goods, Works and Services under the Programme</li> </ul>
Arthur Mamo	Programme Coordinator	BSc. Civil Engineering, MBA (Project Management)	<ul style="list-style-type: none"> <li>• Programme monitoring and reviewing</li> <li>• Presenting Programme progress reports</li> <li>• Ensuring Programme implementation is in accordance to AfDB guidelines</li> </ul>
CPA Nicholas Kariuki	Programme Accountant	B. Com, MBA, MA (Project Management), CPA(K), CS(K)	<ul style="list-style-type: none"> <li>• Preparation of Programme Financial Statement.</li> <li>• Programme payments processing.</li> <li>• Forwarding direct payments to the Ministry of Water, Sanitation and Irrigation for onward transmission to The National Treasury and Planning and AfDB</li> <li>• Preparing Programme Budget Estimates</li> </ul>

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<b>Names</b>	<b>Title Designation</b>	<b>Key Qualification</b>	<b>Responsibilities</b>
Samuel K. Ndung'u	Programme Engineer-NWWDA	BSc. Civil Engineering	<ul style="list-style-type: none"> <li>• Assist in Programme monitoring and reviewing</li> <li>• Assist in Presenting Programmes progress reports</li> <li>• Assist in ensuring Programme implementation is in accordance to AfDB guidelines</li> </ul>
Martin Gitonga	Procurement Specialist-TWWDA	Bachelor of Supply Chain Management	<ul style="list-style-type: none"> <li>• Preparation of procurement Plan for the programme</li> <li>• Ensuring Procurement of Goods, Works and Services under the Programme is in accordance to the AfDB guidelines</li> </ul>
Benedict Kimwaki	Procurement Specialist-NWWDA	Bachelor of Business Administration MA Project Management	<ul style="list-style-type: none"> <li>• Assist in preparation of procurement Plan for the programme</li> <li>• Assist in ensuring Procurement of Goods, Works and Services under the Programme is in accordance to the AfDB guidelines</li> </ul>

**2.7A. Source of Fund**

**(i) Funding Summary – External Assistance**

The Programme is for a duration of 7 years from 9<sup>th</sup> January 2017 to 31<sup>st</sup> December 2023 with an approved budget of USD 107,631,872 equivalent to Kshs. 10,998,156,567 for AfDB loan and USD 782,920 equivalent to Kshs. 80,000,000 for ADF Loan as highlighted in the tables below:

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

Below is the funding summary:

**Source of Funds**

Source of funds	Donor Commitment		Amount received to date (30 June 2023)		Undrawn balance to date (30 June 2023)	
	Donor currency USD	Kshs.	Donor currency USD	Kshs.	Donor currency USD	Kshs.
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) AfDB Loan</b>						
Africa Development Bank*	55,675,511	5,689,093,088	34,110,153	3,569,353,126	21,565,358	2,119,739,962
Africa Development Bank**	51,956,361	5,309,063,479	34,513,420	3,645,371,960	17,442,941	1,663,691,519
<b>Subtotal for AfDB Loan</b>	<b>107,631,872</b>	<b>10,998,156,567</b>	<b>68,623,573</b>	<b>7,214,725,086</b>	<b>39,006,299</b>	<b>3,783,431,481</b>
<b>(ii) ADF Loan</b>						
Africa Development Bank Fund (ADF Loan)**	782,920	80,000,000	120,159.61	14,792,850	662,760	65,207,150
<b>Subtotal for ADF Loan</b>	<b>782,920</b>	<b>80,000,000</b>	<b>120,160</b>	<b>14,792,850</b>	<b>662,760</b>	<b>65,207,150</b>
<b>Grand Total</b>	<b>108,414,792</b>	<b>11,078,156,567</b>	<b>68,743,733</b>	<b>7,229,517,936***</b>	<b>39,671,059</b>	<b>3,848,638,631</b>

\*Loan for Tana Water Works Development Agency

\*\*Loan for Northern Water Works Development Agency

\*\*\*Amount received to date

2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Cumulative to date
Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
190,896,104	707,494,626	1,392,345,820	1,412,328,054	2,274,901,019	1,251,552,313	7,229,517,936



**(ii) Funding Summary – GoK Counterpart**

Counterpart Funds	GoK Commitment	Amount received to date (30 June 2023)	Undrawn balance to date (30 June 2023)
	Kshs.	Kshs.	Kshs.
Government of Kenya	1,723,829,051	1,214,873,884*	508,955,167

**\*Amount Received to date**

2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Cumulative to date
KES	KES	KES	KES	KES	KES
64,873,884	75,000,000	300,000,000	175,000,000	350,000,000	1,214,873,884

**Computation (Amount in Millions)**

Total Programme Amount = AFDB Loan UA 271.721  
 ADF Loan UA 5.135  
 GoK UA 43.388  
UA 320.244

=GoK Counterpart ratio: GoK/Total programme Cost  
 = 43.388/320.244=13.55%

=Kshs.  $\frac{10,998,156,567 * 13.55\%}{86.45\%}$  =Kshs. **1,723,829,051**

**2.7B. Application of Funds**

**(i) Application of funds Summary – External Assistance**

Application of Funds	Amount received to date (30 <sup>th</sup> June 2023)		Cumulative Amount Paid to date (30 <sup>th</sup> June 2023)		Unutilized balance to date (30 June 2023)	
	Donor currency USD	Kshs.	Donor currency USD	Kshs.	Donor currency USD	Kshs.
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) Loan</b>						
Africa Development Bank - NWWDA	34,110,153	3,569,353,126	34,110,153	3,569,353,126	-	-
Africa Development Bank - TWWDA	34,513,420	3,645,371,960	34,513,420	3,645,371,960	-	-
Africa Development Bank - NWWDA	120,160	14,792,850	120,160	14,792,850	-	-
<b>Total</b>	<b>68,743,733</b>	<b>7,229,517,936</b>	<b>68,743,733</b>	<b>7,229,517,936</b>	<b>-</b>	<b>-</b>

**(ii) Application of Funds Summary – GoK Counterpart**

Application of Funds	Amount received to date (30 June 2023)	Cumulative amount paid to date (30 June 2023)	Unutilized balance to date (30 June 2023)
Counterpart Funds	Kshs.	Kshs.	Kshs.
Government of Kenya	1,214,873,884	1,214,873,883	1

**2.8 Summary of Overall Programme Performance:**

**Budget Performance against actual amounts for current financial year and for cumulative to date**

**a) Budget Performance against actual amount for the current financial year**

In the FY 2022/2023 the approved budget was Kshs.2,580,974,000 and actual expenditure was Kshs. 1,251,552,313.



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

**Budgetary performance against actual amounts for current financial year**

Details	Budget (Kshs)	Expenditure (Kshs)	Variance (Kshs)	Percentage Absorption (%)
Loan	2,580,974,000	1,251,552,313	1,329,421,687	48%
GoK Counterpart	450,000,000	250,000,011	199,999,989	56%
<b>Total</b>	<b>3,030,974,000</b>	<b>1,501,552,324</b>	<b>1,529,421,676</b>	<b>50%</b>

**b) Budget Performance against actual amounts for cumulative to date**

Cumulative allocation for the programme is Kshs. 10,703,875,019 against cumulative actual expenditure of Kshs. 8,444,391,819.

**Budgetary performance against actual amounts for cumulative to date**

Year	Details	Budget (Kshs)	Expenditure (Kshs)	Variance (Kshs)	Percentage Absorption (%)
2017/2018	Loan	300,000,000	190,896,104	109,103,896	63.63%
	GoK Counterpart	18,000,000	64,873,884	-46,873,884	360.41%
2018/2019	Loan	730,000,000	707,494,626	22,505,374	96.92%
	GoK Counterpart	100,000,000	61,447,050	38,552,950	61.45%
2019/2020	Loan	1,700,000,000	1,392,345,820	307,654,180	81.90%
	GoK Counterpart	400,000,000	159,241,343	240,758,657	39.81%
2020/2021	Loan	1,500,000,000	1,412,328,054	87,671,946	94.16%
	GoK Counterpart	300,000,000	329,291,312	-29,291,312	109.76%
2021/2022	Loan	2,274,901,019	2,274,901,019	-	100.00%
	GoK Counterpart	350,000,000	350,020,283	-20,283	100.01%
2022/2023	Loan	2,580,974,000	1,251,552,313	1,329,421,687	48.49%
	GoK Counterpart	450,000,000	250,000,011	199,999,989	55.56%
<b>Total</b>		<b>10,703,875,019</b>	<b>8,444,391,819</b>	<b>2,259,483,200</b>	<b>78.89%</b>



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

**ii) Physical Progress based on outputs, outcomes and impacts since project commencement.**

The bulk of works are at construction stage hence the performance and impact of the Programme cannot be evaluated at this stage. However, the overall value of work done is at 80.11%.

**iii) Absorption Rate**

The Programme Absorption rates are as follows:

<b>Financial Year</b>	<b>Computation</b>	<b>Absorption Rate (%)</b>
2022/2023	<u>Actual expenditure</u> = $\frac{8,444,391,819}{12,721,985,618} \times 100$ Total Programme Cost	66.38
2021/2022	<u>Actual expenditure</u> = $\frac{6,942,839,495}{12,721,985,618} \times 100$ Total Programme Cost	54.57
2020/2021	<u>Actual expenditure</u> = $\frac{4,317,918,193}{12,721,985,618} \times 100$ Total Programme Cost	33.94
2019/2020	<u>Actual expenditure</u> = $\frac{2,576,298,827}{12,721,985,618} \times 100$ Total Programme Cost	20.25
2018/2019	<u>Actual Expenditure</u> = $\frac{1,038,264,614}{12,721,985,618} \times 100$ Total Programme Cost	8.2
2017/2018	<u>Actual Expenditure</u> = $\frac{255,769,988}{11,065,854,281} \times 100$ Total Programme Cost	2.3

**iv) Implementation Challenges**

- Acquisition of Programme land and way leave due to inadequate allocation of GoK Counterpart fund.
- Delay in disbursements of allocated GoK Counterpart funds.
- Delay in approval for acquisition of land easement from Nyayo Tea Zone, Kenya Forest Services, roads authority (KENHA, KERRA, KURA and County Roads) and Kenya Wildlife Services.
- Insecurity particularly in Mandera County.

**v) Recommended Next Steps**

- Engaging the Ministry of Water, Sanitation and Irrigation in ensuring that in FY 2023/2024 there is adequate budgetary allocation for land and way leave acquisition.
- Engaging the Ministry of Water, Sanitation and Irrigation in ensuring that allocated funds are disbursed in time.
- The Agency has requested the Ministry of Water, Sanitation and Irrigation to engage with other government Agencies on matters of land easement.

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

- (iv) The Agency has engaged the National Government Administration Offices in Mandera to ensure the contractor is safe.

**2.9 Summary of Programme Compliance**

- i) The Programme complied with all applicable Laws and Regulations therefore no consequence was /is likely to be suffered on account of non-compliance.
- ii) There were no mitigation measures taken or planned to be taken as there were no adverse effects of actual or potential consequence of non-compliance.
- iii) The Agency ensures compliance with the requirement before commencement of a Programme.

## 2. Statement of Performance Against Programme's Predetermined Objectives

### Introduction

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

The main objective of the programme is to improve the access, quality, availability and sustainability of water supply and wastewater management services in multiple towns in Kenya, with a view to catalyzing commercial activities, driving economic growth, employment creation, improving quality of life of the people and building resilience against climate variability and change. The programme objective will be achieved through:

- i) Construction and rehabilitation of water supply and sanitation infrastructure (including expansion into informal settlements) for improved water and sanitation services; and
- ii) Capacity development of water service providers, the sector regulator for improved service efficiency and women and youth for increased employment opportunities.

The key development objective of the Programmes 2017-2023 plans are to:

- a) To improve the access, quality, availability and sustainability of water supply services in 10 No. towns with a view to catalyzing commercial activities, driving economic growth and employment creation.
- b) To improve the access to wastewater management services in 11 No. towns with a view to catalyzing commercial activities, driving economic growth, employment creation.
- c) To build resilience against climate variability and change.
- d) To build capacity of 5 No. Water Service Providers.

### Progress on attainment of strategic development objectives

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

Below we provide the progress on attaining the stated objectives;



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<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Kerugoya-Kutus Water Supply Project.	To improve the access, quality, availability and sustainability of water with a view to catalysing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	Construction of 20,000 m <sup>3</sup> Kiringa Intake, 10,000m <sup>3</sup> Thiba Intake Raw Water Mains for Kiringa DN 450 GRP pipes 1.7km and Thiba DN 300 GRP pipes 4.3Km, 30,000 m <sup>3</sup> /day capacity Muratiri Treatment works, 3 No. Storage tanks (Kanjogu-2,000m <sup>3</sup> , Gakoigo 3,000m <sup>3</sup> and Sagana 1500m <sup>3</sup> ) and 57 Km transmission Mains ranging from Diameter 500mm-250mm GRP/HDPE pipes.	In FY 2022/2023 the overall works implemented was 89%
Kerugoya-Kutus Sewerage Project	To improve the access to wastewater management services in with a view to catalysing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	Construction of: 3000m <sup>3</sup> capacity Wastewater Stabilization Ponds, 32.085Km of Diameter ranging from 700-225mm Trunk Sewer Mains and ancillary Works	Overall works implemented was 92%
Chuka Water Supply Project	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	Construction of: 15,000 m <sup>3</sup> /day capacity Kirege Treatment works, New Reinforced Concrete Intake on confluence of Ruguti & Manyaga River, New ND 450mm, 7.0 Km long Steel Pipe Raw Water Gravity Main, 3 Nr. Transmission Pipelines, Total Length 9Km, 2 Nr. Storage Tanks, Total Capacity – 1,000m <sup>3</sup> , Distribution Pipeline, Total Length 2.0Km	Overall works implemented was 75%

Project	Objective	Outcome	Indicator	Performance
Enuka Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	Construction of:1,100m <sup>3</sup> /day capacity Ntutuni Wastewater Stabilization Ponds, Trunk Sewer Mains/Secondary Sewers of pipes Diameters ranging from 200-400mm DWC of length 38Km and ancillary works	Overall works implemented was 77%
Chogoria Water Supply Project	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	Construction of: South Mara Intake-15,000m <sup>3</sup> , 2 Km Raw Water Mains, 15,000m <sup>3</sup> /day Kibaranu Treatment works,13.6Km Transmission mains ranging from 350mm to 200mm ferrous pipes and 3 No. Storage tanks (Kianjagi-1000m <sup>3</sup> , Kairuni-500m <sup>3</sup> and Iruma-100m <sup>3</sup> )	Overall works implemented was 100%
Chogoria Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	Construction of:550m <sup>3</sup> /day Capacity Wastewater Stabilization Ponds, and ancillary ,300-200mm Diameter length 29Km Trunk Sewer Mains/ Secondary Sewers.	Overall works implemented was 89%
Meru Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	Construction of:8,000m <sup>3</sup> /day Capacity Wastewater Stabilization Ponds, Diameter 600-300mm DWC pipes Trunk Sewer Mains/Secondary Sewers of length 56Km and ancillary works.	Overall works implemented was 62%

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<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Mandera Water Supply Project	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	Construction of: Intake (2 No Infiltration wells), Rising Mains to Bull Galaas and Water Supply Pipeline - 144 Km of Diameter 450 to 400mm.	Overall works implemented was 58.7%
Mandera Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	Construction of:6,000 m <sup>3</sup> /day capacity Wastewater Stabilization Ponds, 48.5Km Trunk Sewer Mains/Secondary Sewers of Diameter 900-160mm PCC pipes and ancillary works	Overall Works implemented was 73%
Marsabit Water Supply Project	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	Construction of: Raising Bakuli Dam from 11.5m to 20m, 7 Km Dia 200mm rising main Treatment Works of 1,300 M3/Day, New Gravity Main 6Km Diameter 150 mm,3 No Storage Tanks 100m <sup>3</sup> each.	Overall works implemented was 95.6%
Marsabit Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	Construction of: Trunk sewer 4.7Km dia ranging from 300-375mm, Secondary sewers 22.7km Diameter 225mm, Sewerage treatment works capacity- 5700m <sup>3</sup> /da	Overall works implemented was 87.9%
Garissa Water Supply Project-Last Mile Connectivity	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	Construction of: 4 No. Boreholes Drilled and 2 No Rehabilitated, 6Km cement lined Steel pipes of Diameter 300mm Water Supply lines and Construction of 3 No.	Overall works implemented was 100%



Project	Objective	Outcome	Indicator	Performance
			elevated steel Storage tanks of capacity 300m <sup>3</sup> each	
Isiolo Water Supply and Sewerage Project-Last Mile Connectivity	To improve the access, quality, availability and sustainability of water supply and wastewater management services	Improved Water Supply and Sewerage Services	Construction of:9.454 Km of Water Supply Pipelines of Diameters ranging from 160-63mm HDPE pipes and 12.125Km of sewerage pipelines of diameter 200mm UPVC	Overall works implemented was 100%
Murang'a Urban Water Supply Project-Last Mile Connectivity	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	Construction of:7 Km Water Supply Pipelines of 280mm Diameter HDPE pipes.	Overall works implemented was 100%
Murang'a South Water Supply Project-Last Mile Connectivity	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	Construction of:6 Km Water Supply Pipelines of 160mm Diameter HDPE pipes.	Overall works implemented was 100%
Othaya Sewerage Project-Last Mile Connectivity	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	Construction of:1No. Ablution Block, Sludge Drying Bed and 7.8 km Sewerage pipelines UPVC pipes, diameter 200mm.	Overall works implemented was 100%

**Tana Water Works Development Agency**  
**Kenya Towns Sustainable Water Supply and Sanitation Programme**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Construction of Biogas Domes in 3 No. towns	To build resilience against climate variability and change.	Resilience against climate variability and change.	Completed Bio gas domes	Procurement of contractor's process is at tendering stage.
Procurement of Exhausters	To build capacity of water service providers	Improved Capacity of Water Service Providers towards service provision	8 No. Exhausters procured	8 No. Exhausters handed over to 5 Water Companies
Procurement of Water Meters and Leak Detection Equipment	To build capacity of water service providers	Improved Capacity of Water Service Providers towards service provision	Water meters and leak detection equipment's were procured and delivered.	Water meters and leak detection equipment's have been supplied
Procurement of Enterprise Resource Systems	To Build Capacity of 2 No. Water Works Development Agencies	Improved Capacity of Water Works Development Agencies in Business Processes	Installed ERP Hardware	The overall works is at 90%.
Training of Water Works Development Agency and Water Service Providers Staff	To build capacity of Works Development Agency and Water Service Providers Staff	Improved Capacity of WWDA and WSP in Human Resource	No of WWDA and WSP Staff Trained	22No.Staff Trained

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Consultancy for Nanyuki town Sewerage extension	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	Design report	The overall progress was at 80%.
Consultancy for Loiyangalani water and sewerage project	To improve the access to wastewater management services, quality, availability and sustainability of water with a view to catalysing commercial activities, driving economic growth and employment creation.	Improved Water Supply and sanitation Services	Design report	The overall progress was at 90%.



#### **4. Environmental and Sustainability Reporting**

Tana Water Works Development 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. Below is a brief highlight of our activities that drive towards sustainability:

##### **1. Sustainability strategy and profile**

TWWDA is cognizant of the fact that developing strong relationships with suppliers helps ensure that they are operating sustainably, that contracts are fair and that the business it conducts with them is mutually beneficial. The Agency is funding the drilling and equipping of boreholes. The Agency believes that reforestation will play a crucial role in reducing carbon footprint and in curbing air pollution. We have therefore made a strategic decision to become a major partner in the afforestation and reforestation programmes in Kenya.

Kenya's political situation has relatively remained stable thus allowing the Agency to implement the government's "Bottom-up Economic Transformation Agenda" (BETA) that is anchored on five key pillars; Agriculture, Micro Small and Medium Enterprise (MSME) Economy, Housing and Settlement, Healthcare as well as Digital and Creative Economy. The priority interventions proposed in the plan are expected to contribute towards six broad objectives including lowering the cost of living, eradicating hunger, managing unemployment, improving fiscal performance, stabilizing foreign exchange and ensuring inclusive economic growth.

The programmes involved development of water and sewerage infrastructure. The Agency acknowledges its responsibility to society in its capacity as a corporate citizen. Consequently, it endeavors to play an active role in national and regional matters as per its mandate besides contributing to various worthy causes. In the financial year under review, the Agency continued to offer technical support and capacity building to different stakeholders in the water sector, particularly the county governments to facilitate access to safe and clean water in adequate quantities. The Agency has utilized criteria of good practices fulfilling human rights obligations related to access to safe drinking water and sanitation mandated by the Human Rights Council. The criterion includes availability, accessibility, Quality/safety, participation and accountability.

##### **2. Environmental performance**

Our environmental sustainability programmes address local water challenges through increased water and energy efficiency. The Agency has put in place climate change adaptation initiatives such as renewable energy (solar) for back washing. Through a combination of employee engagement, operational efficiencies and creative engineering Programmes, the Agency works throughout its sites to improve water and energy efficiency. Rain water harvesting structures and interventions on reducing waste in the Agency have been put in place.

##### **3. Employee welfare**

To effectively continue delivering on its mandate the Agency continues to implement its human resource strategies to develop its staff. This entailed: staff training, team building, improving working environment, decongesting the offices, enhancing performance management, succession management and enhancing



knowledge management. The Agency has ensured a gender ratio of 1:2 for female to male. The Agency is firmly committed to ensuring the occupational health, safety and well-being of our employees, contractors and visitors. Our commitment to occupational health and safety is underpinned by our core values: "Good governance", and "customer-focus".

#### **4. Market place practices**

The Agency outlined its efforts to: -

##### **a) Responsible supply chain and suppliers relations**

The Agency commits to ensure ease of doing business by promptly making payments to its suppliers thus improving its Agency-Supplier relationship.

##### **b) Responsible ethical practices**

The Agency is committed to promoting and adhering to the highest standards of probity and accountability in the use of its funding and takes a zero-tolerance stance towards cases of fraud and corruption in its activities and operations, both within the institution and under its Programmes and programmes. To this end the Agency has developed and implemented four anti-corruption policies and continues to train staff both at the Agency and Water Service Provider. The Agency also ensures to remain apolitical in its endeavors.

##### **c) Regulatory impact assessment**

The Agency educates its stakeholders and makes them aware of their responsibilities and rights. Consumers must work united, to promote and protect their own interest. As the Agency designs and implements its water and sanitation infrastructure Programmes, it ensures that there is minimal impact on the environment. Environmental Social Impact Assessment is undertaken in all Programmes before implementation takes place.

#### **5. Community Engagements**

Working with our partners, local stakeholders and the communities themselves, the Agency contributes to community sustainability by providing local jobs in our Programmes, fostering an enterprise culture throughout our value chain, sourcing from local businesses (promoting local content in procurement) where feasible and addressing local concerns through community investment programmes. We undertake this through our stakeholder engagement framework that supports a wider, holistic approach to local economic development driven by the following focus areas; Water access: Water is life. There are many communities in the Agency area of jurisdiction that have no access to clean and safe water. This is due to reasons such as lack of rainfall and poor infrastructure. In response to this, the Agency has continuously partnered with various agencies in the provision of safe, reliable and sustainable water supply to communities living in water-stressed areas. We continue to invest heavily in water Programmes that have positive and long-term impact on thousands of people by: reducing the incidence of water-borne diseases and by releasing time otherwise spent by women and children in search of water for alternative income generating activities. The Agency promotes healthcare through provision of safe and clean water and enhanced sanitation that ensures reduction in water borne diseases. The Agency's legal and constitutional mandate is development and maintenance of national public water and sanitation works.



## **5. Statement of Programme Management Responsibilities**

The Chief Executive Officer, Tana Water Works Development Agency and the Programme Coordinator for AfDB Programme are responsible for the preparation and presentation of the Programme's Financial Statements, which give a true and fair view of the state of affairs of the Programme for and as at the end of the financial year ended on June 30, 2023.

This responsibility includes:

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

The Chief Executive Officer, Tana Water Works Development Agency and the Programme Coordinator for AfDB funded programme accept responsibility for the Programme's Financial Statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

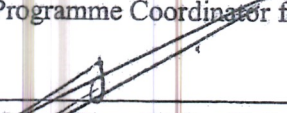
The Chief Executive Officer, Tana Water Works Development Agency and the Programme Coordinator for AfDB funded Programme are of the opinion that the Programme's Financial Statements give a true and fair view of the state of Programme's transactions during the financial year ended June 30, 2022, and of the Programme's financial position as at that date. The Chief Executive Officer, Tana Water Works Development Agency and the Programme Coordinator for AfDB funded programme further confirm the completeness of the accounting records maintained for the Programme, which have been relied upon in the preparation of the Programme Financial Statements as well as the adequacy of the systems of internal financial control.

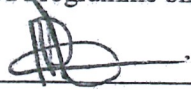
The Chief Executive Officer, Tana Water Works Development Agency and the Programme Coordinator for AfDB funded Programme confirm that the Programme has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Programme funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

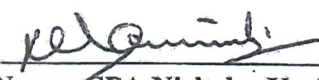


**Approval of the Programme Financial Statements**

The Programme Financial Statements were approved by the Chief Executive Officer for TWWDA and the Programme Coordinator for AfDB funded Programme on 02/08/2023 and signed by them.

  
Name: Eng. Philip Gichuki  
Chief Executive Officer

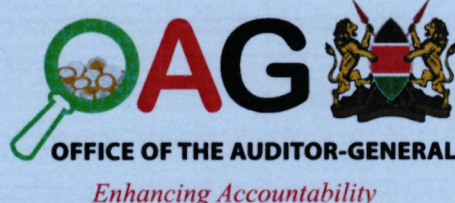
  
Name: Arthur Mamo  
Programme Coordinator

  
Name: CPA Nicholas Kariuki  
Programme Accountant  
ICPAK Member No: 6863



# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON KENYA TOWNS SUSTAINABLE WATER SUPPLY AND SANITATION PROGRAMME (AFDB LOAN NO.2000200000501) FOR THE YEAR ENDED 30 JUNE, 2023 - TANA WATER WORKS DEVELOPMENT AGENCY**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, 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**

#### **Opinion**

I have audited the accompanying financial statements of Kenya Towns Sustainable Water Supply and Sanitation Programme set out on pages 1 to 16, which comprise the statement of financial assets as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the statement of comparative budget and actual

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*Report of the Auditor-General on Kenya Towns Sustainable Water Supply and Sanitation Programme (AFDB Loan No.2000200000501) for the year ended 30 June, 2023 - Tana Water Works Development Agency*



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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya Towns Sustainable Water Supply and Sanitation Programme as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Loan Agreement No.2000200000501 dated 09 January, 2017 and subsequent subsidiary agreement dated 29 September, 2017 between the African Development Bank (AfDB) and the Republic of Kenya and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Unresolved Prior Year Matter**

As previously reported, title deed for parcels of land valued at Kshs.7,325,775 had not been acquired. Further, annex 4(c) to the financial statements shows an analysis of other pending payables on land acquisition. This relates to various parcels of land whose value had been paid to a sum of Kshs.15,826,526 or 60% of the payable amounts for each parcel. The Management explained that these parcels of land are pending succession suit in court and that the balance will be paid upon finalization of the transfer of ownership. It was however, noted that the matter had been outstanding for a long period and no progress had been achieved from the prior years.

In the circumstances, the matter remains unresolved.

#### **2. Outstanding Pending Bills**

The financial statements reflects pending account payables on construction of civil works and supply services (consultancy) amounting to kshs.546,814,650 for the period ended



30 June, 2023 as per Note 1 of other important disclosures and Annex 4a. Further, annex 4c reflects Kshs.1,593,828 that had been outstanding for a period of more than three (3) years in respect to delayed conclusion of land acquisition processes of various parcels of land.

In the circumstances, the nonpayment of pending bills would indicate inadequate funding or disputed amounts in implemented works and services.

### **3. Budgetary Control and Performance**

Review of the statement of budget and actual amounts indicated total receipts budget of Kshs.3,030,974,000 against actual receipts of Kshs.1,501,552,313 resulting to unrealized receipts amounting to Kshs.1,529,421,687 or 50% of the budget. This is an indication of unrealized targets and which may be as a result of overbudgeting. There is need therefore for the Programme Management to prepare a realistic budget.

Further the total payments budget amounted to Kshs.3,030,974,000 against actual payments of Kshs.1,501,552,324, resulting to under absorption of Kshs.1,529,421,676 or 50% of the budget.

There is need therefore for the Programme to have a proper budgeting mechanism with a view to utilizing the budget in full for better service delivery to public.

## **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**

#### **Delayed Completion of Projects**

During the year under review, ten (10) projects with a contract sum of Kshs.6,417,810,078 were visited for verification in the month of September, 2023. Two projects with a total contract sum of Kshs.697,378,157 had been completed and in use. However, the following unsatisfactory observations were made on eight (8) projects with a contract sum of Kshs.5,720,431,921 whose completion was delayed as shown in the table below:

Project Description	Contract Sum	Revised Completion Date	Audit Observations
Kerugoya- Kutus Sewerage Infrastructure	500,139,416	31 October, 2022	<ul style="list-style-type: none"> <li>a) The overall completion was at 94%.</li> <li>b) Approval is being sought from KeRRA to cut the road to install the remaining section of the main sewer line.</li> <li>c) Delays in acquisition of wayleaves for a total of 1,000m thus delaying the project completion</li> <li>d) Construction of sludge drying beds was removed from the scope of works due to budget constraints.</li> <li>e) Landscaping is pending and proposal has been sent to TWWDA for approval and funding.</li> </ul>
Kerugoya- Kutus Water Supply Infrastructure.	1,159,897,600	31 May, 2023	<ul style="list-style-type: none"> <li>a) The overall completion was at 94%.</li> <li>b) Control room for valves had not been captured in the original design thus has not been constructed.</li> <li>c) A proposal for a retaining wall should be done to prevent soil from flowing into the inlet.</li> </ul>
Chogoria Sewerage Infrastructure.	374,595,276	30 September, 2023	<ul style="list-style-type: none"> <li>a) The overall completion was at 92%.</li> <li>b) Delays in payment of IPCs resulting in delayed implementation of the project.</li> <li>c) Delayed acquisition of wayleaves</li> </ul>
Chuka Sewerage Infrastructure.	459,368,692	30 September, 2023	<ul style="list-style-type: none"> <li>a) The overall completion was at 85%.</li> <li>b) 3.2KM of sewer line is yet to be done due to delays in acquisition of wayleaves.</li> <li>c) Delays in payment of IPCs which result in overall delays in project implementation.</li> </ul>
Chuka Water Supply Infrastructure.	628,221,998	30 September, 2023	<ul style="list-style-type: none"> <li>a) The overall completion was at 83%.</li> <li>b) Construction of the 500m3 capacity Nthirani tank has not commenced due to delays in acquisition of the tank site.</li> <li>c) Delays in payment of IPCs which result in overall delays in project implementation.</li> </ul>
Meru Sewerage Infrastructure.	874,506,524	23 December, 2023	<ul style="list-style-type: none"> <li>a) The overall completion was at 68%.</li> <li>b) Delays in acquisition of wayleaves</li> </ul>
Marsabit Sewerage Infrastructure.	1,001,017,386	13 January, 2023	<ul style="list-style-type: none"> <li>a) The overall completion was at 87.9%</li> <li>b) Acquisition of land/wayleave for construction of trunk sewer lines to STP 1 (1km).</li> </ul>



Project Description	Contract Sum	Revised Completion Date	Audit Observations
			c) 50m damage to works by Kenya Urban Roads Authority (KURA) Contractor yet to be repaired
Marsabit Water Infrastructure (Lot 1)	722,685,029	31 July, 2022	a) The overall completion was at 95.8%. b) Destruction of already laid pipelines by the Contractor tasked by KURA with road construction works within Marsabit town. Quotation for reinstatement amounting to KES 2,305,503.37 given to KURA on 18 February, 2021. No communication from KURA on when this will be reinstated.
<b>Total</b>	<b>5,720,431,921</b>		

Review of records including contract agreements for the works being implemented by both Tana Water Works Development Agency and Northern Water Works Development Agency show that various contract agreements for the implementation of the Projects were signed in 2018 and early 2019 with various revised completion dates set. However, the completion dates of 7 out of the 8 projects had since expired without completion, while the remaining project's scope of works may not be achieved within the remaining time frame. In addition, the Mandera Water Supply project had stalled with a dispute lodged by the contractor in court.

In the circumstances, there is risk of the projects not being completed thereby denying the public the benefits that were to arise from the usage.

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.



## **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by African Development Bank Loan Agreement No. 2000200000501 dated 09 January, 2017, I report based on my audit, that:

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

## **Responsibilities of Management and those Charged with Governance**

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

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

06 November, 2023



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

	Note	2022/2023			2021/2022			*Cumulative to date
		Receipts and Payments controlled by TWWDA	Payments made by ADB	Total	Receipts and Payment controlled by TWWDA	Payments made by ADB	Total	
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<b>RECEIPTS</b>								
Transfers from Government Entities	1 Pg 10	250,000,000	-	250,000,000	350,000,000	-	350,000,000	1,214,873,884
Loan from External Development Partners	2a Pg 10	-	830,598,892	830,598,892	-	1,088,439,951	1,088,439,951	3,569,353,126
Loan from External Development Partners	2b Pg 10	-	420,953,421	420,953,421	-	1,186,461,068	1,186,461,068	3,660,164,810
<b>TOTAL RECEIPTS</b>		<b>250,000,000</b>	<b>1,251,552,313</b>	<b>1,501,552,313</b>	<b>350,000,000</b>	<b>2,274,901,019</b>	<b>2,624,901,019</b>	<b>8,444,391,820</b>
<b>PAYMENTS</b>								
Purchase of goods and services	3a Pg 10		115,599,305	115,599,305		96,293,198	96,293,198	414,295,168
Purchase of goods and services	3b Pg 10		40,865,237	40,865,237		83,136,377	83,136,377	278,051,580
Purchase of goods and services	3c Pg 10		14,792,850	14,792,850	-	-	-	14,792,850
Acquisition of Non-Financial Assets	4a Pg 11	-	714,999,588	714,999,588	19,952,948	992,146,753	1,012,099,701	3,327,421,727
Acquisition of Non-Financial Assets	4b Pg 11	49,630,942	365,295,334	414,926,276	76,755,500	1,103,324,691	1,180,080,191	3,678,070,651
Project Administrative Costs	5 Pg 11	164,490,296		164,490,296	60,227,532		60,227,532	364,501,983
Land Easement and Wayleaves	5 Pg 11	35,878,773		35,878,773	193,084,303		193,084,303	367,257,859
<b>TOTAL PAYMENTS</b>		<b>250,000,011</b>	<b>1,251,552,313</b>	<b>1,501,552,324</b>	<b>350,020,283</b>	<b>2,274,901,019</b>	<b>2,624,921,301</b>	<b>8,444,391,819</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(11)</b>	<b>-</b>	<b>(11)</b>	<b>(20,283)</b>	<b>-</b>	<b>(20,283)</b>	<b>1</b>

\*Cumulative to date figures are tabulated as follows:

Receipts	Note	FY 2022/2023	FY 2021/2022	FY 2020/2021	FY 2019/2020	FY 2018/2019	FY 2017/2018	Cumulative to date
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Transfers from Government Entities	1 Pg 10	250,000,000	350,000,000	175,000,000	300,000,000	75,000,000	64,873,884	1,214,873,884
Loan from External Development Partners	2a Pg 10	830,598,892	1,088,439,951	658,094,146	769,128,459	107,915,889	115,175,789	3,569,353,126
Loan from External Development Partners	2b Pg 10	420,953,421	1,186,461,068	754,233,908	623,217,361	599,578,737	75,720,315	3,660,164,810
<b>Total</b>		<b>1,501,552,313</b>	<b>2,624,901,019</b>	<b>1,587,328,054</b>	<b>1,692,345,820</b>	<b>782,494,626</b>	<b>255,769,988</b>	<b>8,444,391,820</b>
<b>Payments</b>								
Purchase of Goods and Services	3a Pg 10	115,599,305	96,293,198	66,239,644	13,099,232	7,888,000	115,175,789	414,295,168
Purchase of Goods and Services	3b Pg 10	40,865,237	83,136,377	30,774,366	-	47,555,285	75,720,315	278,051,580
Purchase of Goods and Services	3c Pg 10	14,792,850	-	-	-	-	-	14,792,850
Acquisition of Non-Financial Assets	4a Pg 11	714,999,588	1,012,099,700	623,758,653	825,968,544	125,577,784	25,017,458	3,327,421,727
Acquisition of Non-Financial Assets	4b Pg 11	414,926,276	1,180,080,191	878,376,987	652,663,745	552,023,452	-	3,678,070,651
Project Administrative Costs	5 Pg 11	164,490,296	60,227,532	4,174,933	59,855,642	35,897,155	39,856,426	364,501,983
Land Easement and Wayleaves	5 Pg 11	35,878,773	193,084,303	138,294,783	-	-	-	367,257,859
<b>Total</b>		<b>1,501,552,324</b>	<b>2,624,921,301</b>	<b>1,741,619,366</b>	<b>1,551,587,163</b>	<b>768,941,676</b>	<b>255,769,988</b>	<b>8,444,391,819</b>

Notes

2a, 3a, & 4a Relates to Tana Water Works Development Agency

2b, 3b, 3c & 4b Relates to Northern Water Works Development Agency

The accounting policies and explanatory notes from page 5 to 13 to these financial statements are an integral part of the financial statements.

Name: Eng. Philip Gichuki  
Chief Executive Officer

Name: Arthur Mamo  
Programme Coordinator


Name: CPA Nicholas Kariuki  
Programme Accountant  
ICPAK Member No: 6863


Tana Water Works Development Agency  
 Kenya Towns Sustainable Water Supply and Sanitation Programme  
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8. Statement of Financial Assets as at 30 June 2023

Description	Note	2022/2023	2021/2022
		Kshs.	Kshs.
<b>Financial Assets</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	6a Pg 11	1	12
Cash Balances	6b Pg 11	-	-
Cash Equivalents (short-term deposits)	6c Pg 11	-	-
<b>Total Cash and Cash Equivalents</b>		<b>1</b>	<b>12</b>
Accounts receivables – Imprest and Advances		-	-
<b>Total Financial Assets</b>		<b>1</b>	<b>12</b>
<b>Represented By</b>			
Fund balance b/f		12	20,295
Prior year adjustments		-	-
Surplus/(Deficit) for the year		(11)	(20,283)
<b>Net Financial Position</b>		<b>1</b>	<b>12</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 02/08/2023 and signed by:

  
 Name: Eng. Philip Gichuki  
 Chief Executive Officer

  
 Name: Arthur Mamo  
 Programme  
 Coordinator

  
 Name: CPA Nicholas Kariuki  
 Programme Accountant  
 ICPAK Member No:6863



Tana Water Works Development Agency  
Kenya Towns Sustainable Water Supply and Sanitation Programme  
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9. Statement of Cashflow for the year ended 30 June 2023

	Note	2022/2023	2021/2022
		Kshs.	Kshs.
<b>Cashflow from operating activities</b>			
Transfer from Government Entities	1 Pg 10	250,000,000	350,000,000
<b>Payments for operating activities</b>			
Purchase of goods and services	3a Pg10	(115,599,305)	(96,293,198)
Purchase of goods and services	3b Pg10	(40,865,237)	(83,136,377)
Purchase of goods and services	3c Pg 10	(14,792,850)	-
Acquisition of Non- Financial Asset	4a Pg 11	(714,999,588)	(992,146,753)
Acquisition of Non- Financial Asset	4b Pg 11	(365,295,334)	(1,103,324,691)
Project Administrative Costs/Land Easement and Wayleaves	5 Pg 11	(200,369,069)	(253,311,835)
<b>Net cash flow from operating activities</b>		<b>(1,201,921,382)</b>	<b>(2,178,212,853)</b>
<b>Cashflow from investing activities</b>			
Acquisition of Assets	4 Pg 11	(49,630,942)	(96,708,448)
<b>Net cash flows from investing activities</b>		<b>(49,630,942)</b>	<b>(96,708,448)</b>
<b>Cashflow from borrowing activities</b>			
Proceeds from Foreign Borrowings	2a Pg 10	830,598,892	1,088,439,951
Proceeds from Foreign Borrowings	2b Pg 10	420,953,421	1,186,461,068
<b>Net cash flow from financing activities</b>		<b>1,251,552,313</b>	<b>2,274,901,019</b>
<b>Net increase in cash and cash equivalent</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalent at beginning of the year</b>		<b>12</b>	<b>20,295</b>
<b>Cash and cash equivalent at end of the year*</b>		<b>1</b>	<b>12</b>

\*Reconciliation of cash and cash equivalent at end of the year

	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Balance b/d	12	20,295
Receipt from Government	250,000,000	350,000,000
Less: Payments	(250,000,011)	(350,020,283)
<b>Surplus</b>	<b>1</b>	<b>12</b>

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

The Programme's financial statements were approved on 02/08/2023 and signed by:

Name: Eng. Philip Gichuki  
Chief Executive Officer

Name: Arthur Mamo  
Programme Coordinator

Name: CPA Nicholas Kariuki  
Programme Accountant  
ICPAK Member No: 6863



Tana Water Works Development Agency  
 Kenya Towns Sustainable Water Supply and Sanitation Programme  
 Annual Report and Financial Statements for the financial year ended June 30 2023

10. Statement of Comparison of Budget and Actual amounts for the year ended 30 June, 2023

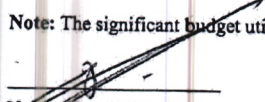
Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=e/c %
<b>Receipts</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	
Transfer from Government Entities	765,000,000	(315,000,000)	450,000,000	250,000,000	200,000,000	44%
Proceeds from Borrowings*	3,121,302,000	(1,293,862,000)	1,827,440,000	830,598,892	996,841,108	55%
Proceeds from Borrowings**	2,373,792,000	(1,620,258,000)	753,534,000	420,953,421	332,580,579	44%
<b>Total Receipts</b>	<b>6,260,094,000</b>	<b>(3,229,120,000)</b>	<b>3,030,974,000</b>	<b>1,501,552,313</b>		
<b>Payments</b>						
Purchase of Services*	115,599,305	-	115,599,305	115,599,305	-	0%
Purchase of Services**	55,658,087	-	55,658,087	55,658,087	-	0%
Acquisition of Non- Financial Assets*	3,005,702,695	(1,293,862,000)	1,711,840,695	714,999,588	996,841,108	58%
Acquisition of Non- Financial Assets**	2,318,133,913	(1,620,258,000)	697,875,913	365,295,334	332,580,579	48%
Other Grants and Transfers ***	890,000,000	(440,000,000)	450,000,000	250,000,011	199,999,989	44%
<b>Total Payments</b>	<b>6,385,094,000</b>	<b>(3,354,120,000)</b>	<b>3,030,974,000</b>	<b>1,501,552,324</b>		


\* Relates to Tana Water Works Development Agency

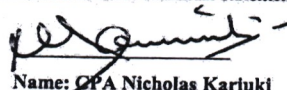
\*\* Relates to Northern Water Works Development Agency

\*\*\* Relates to Project Counterpart Expenditure

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

  
 Name: Eng. Philip Gichuki  
 Chief Executive Officer

  
 Name: Arthur Mamo  
 Programme Coordinator

  
 Name: CPA Nicholas Kariuki  
 Programme Accountant  
 ICPAK Member No: 6863

## **11 Significant Accounting Policies**

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

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

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for;

- a) Receivables that include imprests and salary advances; and
- b) Payables that include deposits and retentions.

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

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

### **b) Reporting entity**

The financial statements are for the Kenya Towns Sustainable Water Supply and Sanitation Programme under The National Government of Kenya.

### **c) Reporting currency**

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

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

The Programme recognises all receipts from African Development Bank (AfDB) when the event occurs and the related cash has actually been received by the contractor/ consultant.

#### **i. Transfers from the Exchequer**

Transfer from Exchequer is being recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to Tana Water Works Development Agency.

#### **ii. External Assistance**

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



**Significant Accounting Policies (Continued)**

**iii. Proceeds from borrowing**

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

**iv. Undrawn external assistance**

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

**e) Recognition of payments**

The Programme recognises all payments by AfDB when the event occurs and the related cash has actually been paid out by African Development Bank (AfDB).

**i. Compensation to Employees**

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

**ii. Use of goods and services**

Goods and services are recognized as payments in the period when the goods/services are paid.

**iii. Interest on borrowing**

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

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

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

**v. Acquisition of fixed Assets**

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

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

### Significant Accounting Policies (Continued)

#### f) In-kind donations

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

#### g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

#### h) Imprests and Advances

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

#### i) Pending Bills

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



**Significant Accounting Policies (Continued)**

**j) Budget**

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

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

**k) Third party payments**

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

**l) Exchange rate differences**

The accounting records are maintained in (Kenya Shillings) which is the functional currency of the primary economic environment in which the Programme operates. Transactions in foreign currencies during the year/period are converted into the functional currency using the following:

- Goods and Works- exchange rates as provided in the individual contracts.
- Consultancy Services- exchange rate prevailing during tender evaluation.

**Significant Accounting Policies (Continued)**

**m) Comparative figures**

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

**n) Subsequent events**

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

**o) Prior period adjustments**

There were no prior period adjustments



12 Notes to the Financial Statements

1. Transfers from Government entities

These represent Counterpart Funding from Government as follows:

	2022/2023	2021/2022	Previous Years	Cumulative to date
	Kshs.	Kshs.	Kshs.	Kshs.
<i>Counterpart Funding through Ministry of Water, Sanitation and Irrigation</i>				
Counterpart funds Quarter 1	125,000,000	256,250,000	206,898,350	588,148,350
Counterpart funds Quarter 2	125,000,000	31,250,000	238,927,835	395,177,835
Counterpart funds Quarter 3		-	29,181,653	29,181,653
Counterpart funds Quarter 4		62,500,000	139,866,046	202,366,046
<b>Total (See Annex 3)</b>	<b>250,000,000</b>	<b>350,000,000</b>	<b>614,873,884</b>	<b>1,214,873,884</b>

2 (a) & (b) Loan from External Development Partners

During the financial period to 30 June 2023 we received funding from AfDB in form of loans negotiated by The National Treasury and Planning as detailed in the table below:

Name of Donor	Date received	Amount received in loan currency	Loans received in cash	Loans received as direct payment	Total amount in KES			
					FY 2022/2023	FY 2021/2022	Previous Years	Cumulative to date
		USD	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<b>Loans Received from multilateral Donors</b>								
(a) Africa Development Bank		7,610,778	-	830,598,892	830,598,892	1,088,439,951	1,650,314,283	3,569,353,126
(b) Africa Development Bank		3,566,871	-	420,953,421	420,953,421	1,186,461,068	2,052,750,321	3,660,164,810
<b>Total</b>		<b>11,177,649</b>		<b>1,251,552,313</b>	<b>1,251,552,313</b>	<b>2,274,901,019</b>	<b>3,703,064,604</b>	<b>7,229,517,936</b>

(a) Relates to Tana Water Works Development Agency

(b) Relates to Northern Water Works Development Agency

3 (a) & (b) Purchase of goods and services

	FY 2022/2023			FY 2021/2022	Previous Years	Cumulative to date
	Payments made by TWWD A in Cash	Payments made by ADB	Total Payments			
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
(a) Utilities, Supplies and Services	-	115,599,305	115,599,305	96,293,198	202,402,665	414,295,168
(b) Utilities, Supplies and Services	-	40,865,237	40,865,237	83,136,377	154,049,966	278,051,580
<b>Total</b>	<b>-</b>	<b>156,464,541</b>	<b>156,464,541</b>	<b>179,429,575</b>	<b>356,452,631</b>	<b>692,346,748</b>

(a) Relates to Tana Water Works Development Agency

(b) Relates to Northern Water Works Development Agency

3 (c) Purchase of goods and services

	FY 2022/2023			FY 2021/2022	Previous Years	Cumulative to date
	Payments made by TWWD A in Cash	Payments made by ADB	Total Payments			
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
(b) Utilities, Supplies and Services	-	14,792,850	14,792,850	-	-	14,792,850
<b>Total</b>	<b>-</b>	<b>14,792,850</b>	<b>14,792,850</b>	<b>-</b>	<b>-</b>	<b>14,792,850</b>

(b) Relates to Northern Water Works Development Agency

**Tana Water Works Development Agency**  
**Kenya Towns Sustainable Water Supply and Sanitation Programme**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**  
**Notes to Financial Statements (Continued)**

**1 (a) & (b) Acquisition of Non-Financial Assets**

	FY 2022/2023			FY 2021/2022	Previous Year	Cumulative to-date
	Payments made by TWWDA in Cash	Payments made by ADB	Total Payments			
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
(a) Acquisition of Land	-	-	0	13,011,998	152,410,821	165,422,819
(a) Payments for Works	-	714,999,588	714,999,588	999,087,703	1,447,911,618	3,161,998,908
<b>Sub Total</b>	-	<b>714,999,588</b>	<b>714,999,588</b>	<b>1,012,099,701</b>	<b>1,600,322,439</b>	<b>3,327,421,727</b>
(b) Acquisition of Land	49,630,942	-	49,630,942	76,755,500	184,363,829	310,750,271
(b) Payments for Works	-	365,295,334	365,295,334	1,103,324,691	1,898,700,355	3,367,320,380
<b>Sub Total</b>	<b>49,630,942</b>	<b>365,295,334</b>	<b>414,926,276</b>	<b>1,180,080,191</b>	<b>2,083,064,184</b>	<b>3,678,070,651</b>
<b>Total</b>	<b>49,630,942</b>	<b>1,080,294,922</b>	<b>1,129,925,864</b>	<b>2,192,179,891</b>	<b>3,683,386,623</b>	<b>7,005,492,379</b>

(a) Relates to Tana Water Works Development Agency

(b) Relates to Northern Water Works Development Agency

**5 Other Grants, Transfers and Payments**

	FY 2022/2023			FY 2021/2022	Previous Year	Cumulative to-date
	Payments made by TWWDA in Cash	Payments made by ADB	Total Payments			
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Project Administrative Costs	164,490,296	-	164,490,296	60,227,532	139,784,156	364,501,983
Land Easement and Wayleaves	35,878,773	-	35,878,773	193,084,303	138,294,783	367,257,859
<b>Total</b>	<b>200,369,069</b>		<b>200,369,069</b>	<b>253,311,835</b>	<b>278,078,939</b>	<b>731,759,842</b>

**6 Cash and Cash equivalents**

	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
Bank Account (Note 6 a)	1	12
Cash in Hand (Note 6 b)	-	-
Cash and Cash Equivalents (Short-Term Deposit) (Note 11.6 c)	-	-
<b>Total</b>	<b>1</b>	<b>12</b>

The Agency operates KCB Bank Account A/C No. 1101-998-733 where GoK Grants for development are deposited.

**6 a Bank Account**

**Project Bank Account**

	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
Kenya Commercial Bank- A/C No. 1101-998-733	1	12
<b>Total</b>	<b>1</b>	<b>12</b>

**Special Deposit Accounts**

The Programme has no Special Deposit Account (SDA)

**6 b Cash in hand**

There was no Cash in hand during the reporting period

**6 c Cash Equivalents (Short-term Deposit)**

There were no Short-term Deposit during the reporting period.

**7 Imprests and Advances**

No Imprest was outstanding as at 30th June 2023.



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**Notes to Financial Statements (Continued)**

**3 Fund balance brought forward**

	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
Bank Account (Note 6 a)	1	12
Cash in Hand (Note 6 b)	-	-
Cash and Cash Equivalents (Short-Term Deposit) (Note 6 c)	-	-
Outstanding imprest and Advances	-	-
<b>Total</b>	<b>1</b>	<b>12</b>

**Others important Disclosures**

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

Description	Balance b/f FY 2021/2022	Additional for the period	Paid during the year	*Balance c/f FY 2022/2023
	Kshs.	Kshs.	Kshs.	Kshs.
Construction of Civil Works	465,255,968	986,885,290	1,080,294,922	371,846,335
Supply of Services- Consultancy	109,598,910	236,626,796	171,257,391	174,968,315
<b>Total</b>	<b>574,854,878</b>	<b>1,223,512,086</b>	<b>1,251,552,313</b>	<b>546,814,650</b>

**\*Balance c/f 2022/2023**

	TWWDA	NWWDA	TOTAL
	Kshs.	Kshs.	Kshs.
Construction of Civil Works	363,685,106	-	363,685,106
Supply of Services- Consultancy	36,008,270	147,121,274	183,129,544
<b>Total</b>	<b>399,693,376</b>	<b>147,121,274</b>	<b>546,814,650</b>

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

Description	Balance b/f FY 2021/2022	Additional for the period	Paid for the year	Balance c/f 2022/2023
	Kshs.	Kshs.	Kshs.	Kshs.
Senior Management	N/A	N/A	N/A	N/A
Middle Management	N/A	N/A	N/A	N/A
Unionisable Employees	N/A	N/A	N/A	N/A
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**3 Other Pending Payables - Acquisition of land pending accounts payable.(See Annex 3c)**

Description	Balance b/f FY 2021/2022	Additional for the period	Paid for the year	Balance c/f 2022/2023
	Kshs.	Kshs.	Kshs.	Kshs.
Acquisition of Land Commitment	111,099,685	49,630,942	49,630,942	111,099,685
<b>Total</b>	<b>111,099,685</b>	<b>49,630,942</b>	<b>49,630,942</b>	<b>111,099,685</b>

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**External Assistance**

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
External assistance received as loans from African Development Bank	1,251,552,313	2,274,901,019
<b>Total</b>	<b>1,251,552,313</b>	<b>2,274,901,019</b>

**4a External assistance relating to loan and grants**

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
External assistance received as loans from African Development Bank	1,251,552,313	2,274,901,019
External assistance received as grants	-	-
<b>Total</b>	<b>1,251,552,313</b>	<b>2,274,901,019</b>

**4b Undrawn external assistance**

Description	Purpose for which the undrawn external assistance may be used	FY 2022/2023	FY 2021/2022
		Kshs.	Kshs.
Undrawn external assistance- loans	Purchase of services and acquisition of Non-Financial Assets	3,848,638,631	5,020,190,944
Undrawn external assistance- grants		-	-
<b>Total</b>		<b>3,848,638,631</b>	<b>5,020,190,944</b>

**4c Class of External Assistance**

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
Multilateral Donor -African Development Bank	1,251,552,313	2,274,901,019
<b>Total</b>	<b>1,251,552,313</b>	<b>2,274,901,019</b>

The external assistance was for infrastructure development.

**4d Purpose and Use of External Assistance**

Payments by Third Parties	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
Use of Goods and Services	171,257,391	179,429,575
Acquisition of Non -Financial Assets	1,080,294,922	2,102,412,393
<b>Total</b>	<b>1,251,552,313</b>	<b>2,281,841,969</b>

**4e External assistance paid by third parties on behalf of the Entity by Sources**

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
Multilateral Donor- African Development Bank	1,251,552,313	2,281,841,969
<b>Total</b>	<b>1,251,552,313</b>	<b>2,281,841,969</b>

**9.Related Party Disclosures**

Entities and other parties related to the Kenya Towns Sustainable Water Supply & Sanitation Programme include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions.

These comprise of related parties to the Programme.

- i)The National Treasury and Economic Planning
- ii)The Ministry of Water, Sanitation and Irrigation

Particulars	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
<b>Transfers from related parties</b>	-	-
GoK Counterpart Grants	250,000,000	350,000,000
<b>Total Transfers from related parties</b>	<b>250,000,000</b>	<b>350,000,000</b>



### 13. Annexes

#### Annex 1- Prior Year Auditor- General's Recommendations

The following is the summary of issue raised by the Office of the Auditor General, and management comment that were provided to the auditor. We have nominated focal person to resolve the issue as shown below with the associated time frame within which we expect the issue to be resolved.

Reference No on the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status (Resolved/ Not Resolved)	Time Frame
1	<p><b>Acquisition of land -Lack of Ownership Documents</b>                      The statement of receipts and payments reflects acquisition of non - financial assets expenditure of Kshs. 19,952,948 and Kshs.76,755,500, all totaling to Kshs 96,708,448 which, as disclosed in Note 4(a) and (b) to the financial statements. The expenditure includes an amount Kshs.89,767,498 in respect of acquisition of land. However, although the sale agreements with the vendors for the respective parcels of land were provided for audit verification, title deeds for fully paid and partly paid land had not been acquired. In the circumstances, the ownership status of the parcels of land could not be confirmed.</p>	<p>Land parcels valued at Kshs. 4,734,539 are in the land registry and the transfer documents have been signed in favor of TWWDA.</p> <p>The remaining amount of Kshs. 42,347,659 relates to partially paid land parcels. The land owners relocated from the land as per terms of the sale agreements and the payment thereof will be paid upon transfer of land to the Agency at which point the Title Deeds shall be issued.</p>	<p>CS</p> <p>CS</p>	<p>Resolved and tittles allocated to TWWDA.</p> <p>The Land parcels are pending succession suit in court.</p>	
<b>Other Matters</b>					
1	<p><b>Unresolved Prior Year Matter</b>                      As previously reported, ownership status for parcels of land valued at Kshs.186,821,596 could not be confirmed as 30 June, 2021.However, audit verification carried out in the month of September, 2022 revealed that title deeds for parcels of land valued at Kshs. 7,325,775 had not yet been acquired, and therefore the matter remains unresolved.</p>	<p>Land parcels valued at Kshs. 7,325,775 have been partly paid up to 60% because the process of succession is not complete, once the process is complete the balance will be cleared and embark on the processing of the tittle deeds.</p>	<p>CS</p>	<p>Land parcels amounting to Kshs. 7,325,775 are pending succession suit in court.</p>	

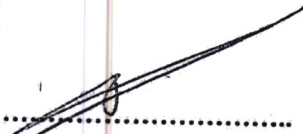
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Reference No on the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status (Resolved/ Not Resolved)	Time Frame
<b>Report on Lawfulness and Effectiveness in use of Public Resources</b>					
1	<p><b>Delay in Projects Implementation</b>  As previously reported, available information and contract agreements for the current works implemented by both Tana Water Works Development Agency and the Northern Water Works Development Agency show that various contract agreements for the implementation of the Projects were signed in 2018 and early 2019 with completion dates set for June and July, 2020. However, by 30 June, 2020 the projects were not completed leading to revision of the completion dates to November and December, 2021. The projects were not completed by 30 June, 2022, and the completion dates were further extended to between December, 2022 and March, 2023. Review of the project status report dated 31 August, 2022, indicated that five (5) out of sixteen (16) projects were less than 60% complete by 31 August, 2022, three years and six months to March, 2023, the end of the contract period. Further, during the year under review, ten (10) projects with a contract sum of Kshs. 6,368,017,899 were visited for verification in the month of September, 2022. Three projects with a total contract sum of Kshs. 2,298,019,476 had satisfactory progress. However, seven (7) projects with a contract sum of Kshs. 4,069,998,423 had not been satisfactorily executed and had overall completion levels ranging between 51% and 76%. There is risk of significant number of works not being completed within the contract</p>	<p>The Management has noted with appreciation the Auditor's findings and will endeavor to fast track completion of the project to ensure that the intended benefit to the community is achieved. TWWDA has been holding management meetings with the contractor</p>	<p>Eng. Philip Gichuki Chief Executive Officer</p>	<p>The overall project percentage progress has increased tremendously from then 51% to 87.5%.</p>	



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Reference No on the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status (Resolved/ Not Resolved)	Time Frame
	<p>period which may result in cost escalations.</p> <p>Although the management attributed the delay in implementation of the projects to failure to obtain tax exemption and inadequate counterpart funding, no evidence was been provided on measure being taken to forestall the recurrence of a similar situation.</p>				

  
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**Eng. Philip Gichuki**  
**Chief Executive Officer**

  
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**Arthur Mamo**  
**Programme Coordinator**

Annex 2 - Variance Explanations - Comparative Budget and Actual Amounts for FY 2022-2023

	Final Budget a	Actual on Comparable Basis b	Budget Utilisation Difference c=a-b	% of Utilisation Variance to Final Budget d=c/a %	Comments on Variance (Below 90% and above 100%)
Receipts during the Year/Period	Kshs	Kshs	Kshs		
Government of Kenya	450,000,000	250,000,000	200,000,000	44%	The high under utilization is as a result of delay in release of 2nd Half allocation of counterpart funds which was released on 5th July 2023.
External financing	2,580,974,000	1,251,552,313	1,329,421,687	52%	IPCs amounting to KES 546M is pending payment (Annex 4a). If considered the utilization variance will be 32%. In addition, there was slow progress of works as a result of low performance by contractors in NWWDA area.
<b>Total Receipts</b>	<b>3,030,974,000</b>	<b>1,501,552,313</b>			
<b>Payments during the Year/Period</b>					
Purchase of Services*	115,599,305	115,599,305	-	0%	
Purchase of Services**	55,658,087	55,658,087	-	0%	
Acquisition of Non-Financial* Assets	1,711,840,695	714,999,588	996,841,108	58%	The high under utilization is as a result of delay in release of 2nd Half allocation of counterpart funds which was released on 5th July 2023.
Acquisition of Non-Financial** Assets	697,875,913	365,295,334	332,580,579	48%	IPCs amounting to KES 546M is pending payment (Annex 4a). If considered the utilization variance will be 32%. In addition, there was slow progress of works as a result of low performance by contractors in NWWDA area.
Gok Counterpart Expenditure	450,000,000	250,000,011	199,999,989	44%	
<b>Total Payments</b>	<b>3,030,974,000</b>	<b>1,501,552,324</b>			



**ANNEX 3: Reconciliation of Inter-Entity Transfer**

<b>Kenya Towns Sustainable Water Supply and Sanitation Programme</b>				
<b>Break down of Transfers from Ministry of Water, Sanitation and Irrigation</b>				
<b>a</b>	<b>Government Counterpart Funding</b>			
		<b>Bank Statement Date</b>	<b>Amount (Kshs)</b>	<b>FY to which the amounts relate</b>
		30/09/2022	125,000,000.00	FY 2022/2023
		12/10/2022	125,000,000.00	FY 2022/2023
			<b>250,000,000.00</b>	
<b>b</b>	<b>Direct Payment</b>			
	<b>Works TWWDA</b>			
	184	15/07/2022	3,072,398.32	FY 2021/2022
	185	18/07/2022	674,428.97	FY 2021/2022
	198	27/07/2022	247,806.39	FY 2021/2022
	210	30/08/2022	42,029,446.73	FY 2021/2022
	211	31/08/2022	10,507,361.80	FY 2021/2022
	205	01/09/2022	7,830,570.06	FY 2021/2022
	204	02/09/2022	48,102,072.80	FY 2021/2022
	208	12/09/2022	21,365,855.79	FY 2021/2022
	209	13/09/2022	5,341,463.99	FY 2021/2022
	222	28/09/2022	29,913,914.45	FY 2022/2023
	223	29/09/2022	4,869,707.07	FY 2022/2023

		<b>Bank Statement Date</b>	<b>Amount (Kshs)</b>	<b>FY to which the amounts relate</b>
	213	07/10/2022	35,885,498.47	FY 2021/2022
	221	07/10/2022	18,010,658.50	FY 2021/2022
	212	21/10/2022	83,732,830.10	FY 2021/2022
	214	27/10/2022	45,193,951.69	FY 2021/2022
	220	28/10/2022	399,000.00	FY 2021/2022
	215	28/10/2022	11,298,487.82	FY 2021/2022
	224	03/11/2022	32,652,325.06	FY 2022/2023
	228	30/11/2022	38,460,395.25	FY 2022/2023
	229	05/12/2022	6,260,994.58	FY 2022/2023
	226	13/12/2022	32,300,634.88	FY 2022/2023
	227	15/12/2022	8,075,158.74	FY 2022/2023
	234	19/12/2022	58,233,226.38	FY 2022/2023
	235	20/12/2022	24,957,097.17	FY 2022/2023
	236	15/02/2023	23,694,834.13	FY 2022/2023
	240	17/02/2023	29,145,814.05	FY 2022/2023
	244	17/02/2023	25,219,934.19	FY 2022/2023
	225	20/02/2023	20,844,927.90	FY 2022/2023
	241	20/02/2023	4,744,667.41	FY 2022/2023



		<b>Bank Statement Date</b>	<b>Amount (Kshs)</b>	<b>FY to which the amounts relate</b>
	237	20/02/2023	5,923,708.63	FY 2022/2023
	245	22/02/2023	37,829,901.84	FY 2022/2023
	263	21/03/2023	18,117,405.90	FY 2022/2023
	268	12/06/2023	35,251,618.19	FY 2022/2023
	260	13/06/2023	8,012,244.75	FY 2022/2023
	269	13/06/2023	8,812,904.56	FY 2022/2023
			<b>787,013,247</b>	
	<b>Works NWWDA</b>			
	218	18/07/2022	30,961,237.64	FY 2021/2022
	216	19/09/2022	50,427,849.08	FY 2021/2022
	242	06/03/2023	25,509,946.72	FY 2022/2023
	243	07/03/2023	25,509,946.38	FY 2022/2023
	253	14/03/2023	53,784,952.41	FY 2022/2023
	266	14/03/2023	17,348,327.16	FY 2022/2023
	267	31/03/2023	9,573,366.55	FY 2022/2023
	254	14/04/2023	53,784,952.15	FY 2022/2023
	247	14/04/2023	50,427,848.01	FY 2022/2023

		Bank Statement Date	Amount (Kshs)	FY to which the amounts relate
	238	05/06/2023	23,983,454.22	FY 2022/2023
	239	06/06/2023	23,983,454.05	FY 2022/2023
			<b>365,295,334.38</b>	
	<b>Consultancy TWWDA</b>			
	131	12/08/2022	38,144,827.60	FY 2020/2021
	277	12/06/2023	8,161,227.26	FY 2022/2023
			<b>46,306,054.86</b>	
	<b>Consultancy NWWDA</b>			
	161	18/07/2022	6,574,600.00	FY 2021/2022
	183	18/07/2022	8,218,250.00	FY 2021/2022
	248	20/12/2022	38,144,827.57	FY 2022/2023
			<b>52,937,677.57</b>	
		<b>Total Direct Payment</b>	<b>1,251,552,313</b>	
		<b>Grand Total (a+b)</b>	<b>1,501,552,313</b>	

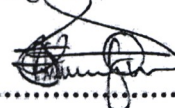
The above amounts have been communicated to and reconciled with the parent Ministry

**Programme Coordinator**  
**Tana Water Works development Agency**  
**Arthur Mamo**



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**Head of Accounting Unit**  
**Ministry of Water, Sanitation**  
**& Irrigation**



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PRINCIPAL SECRETARY  
MINISTRY OF WATER, SANITATION  
& IRRIGATION



Annex 4a - Analysis of Pending Bills

Supplier of Goods or Services	Brief Transaction Description	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
<b>A. Construction of Civil Works- TWWDA</b>							
1 Nanchang Municipal Engineering Development Group Company Limited	Kerugoga Kutus Water Infrastructure	1,159,898,600	14 <sup>th</sup> November 2018	808,197,572	351,701,028	554,509,680	
2 Zhonghao Overseas Construction Engineering Co. Ltd	Kerugoga Kutus Sewerage Infrastructure	500,139,446	14 <sup>th</sup> November 2018	309,662,444	190,477,002	198,489,247	
3 Zhongmei Engineering co Ltd	Chuka Water Infrastructure	628,130,533	26 <sup>th</sup> October 2020	361,130,100	267,000,433	393,488,183	
4 Zhonghao Overseas Construction Engineering Co. Ltd	Chuka Sewerage Infrastructure	459,368,692	20 <sup>th</sup> November 2018	255,044,355	204,324,337	231,030,681	
5 Oriental Construction Co Ltd	Chogoria Water Supply Infrastructure	624,139,241	20 <sup>th</sup> November 2018	554,335,715	69,803,525	239,131,661	
6 Zhonghao Overseas Construction Engineering Co. Ltd	Chogoria Sewerage Infrastructure	374,595,276	20 <sup>th</sup> November 2018	259,340,388	115,254,888	211,856,219	
7 Toddy Civil Engineering Co Ltd	Meru Sewerage Infrastructure	874,506,524	6 <sup>th</sup> December 2018	472,390,937	402,115,587	465,165,423	
8 Oriental Construction Co Ltd	Murang'a South Last Mile	26,853,325	9 <sup>th</sup> August 2019	26,148,885	704,440	4,451,268	
9 Oriental Construction Co Ltd	Murang'a Urban Last Mile	55,086,207	9 <sup>th</sup> August 2019	53,443,576	1,642,631	1,890,437	
10 Visrom company Ltd	Othaya Sewerage Project	78,638,020	9 <sup>th</sup> August 2019	54,643,168	23,994,852	42,005,511	
<b>Sub-Total</b>		<b>4,781,355,864</b>		<b>3,154,337,140</b>	<b>1,627,018,725</b>	<b>2,342,018,311</b>	
<b>B. Supply of Goods and Services -TWWDA</b>							
1 Mangat I B Patel	Chuka Chogoria Water Supply & Sanitation Infrastructure	140,631,663	2nd January 2019	122,317,125	18,314,538	36,830,943	
2 CAS Consulting Ltd	Kerugoya Kutus Water Supply & Sanitation Infrastructure	157,760,000	1st November 2018	126,208,000	31,552,000	31,552,000	
3 Ecosite Development Consultant	Meru Sewerage Infrastructure	104,224,640	21st January 2019	83,379,712	20,844,928	41,689,856	
4 Isuzu East Africa Ltd	Vacuum Exhausters	38,144,827	9th August 2019	38,144,827	0	38,144,827	
5 BSK Global Technologies Limited	Enterprise Resource Planning (ERP-TWWDA)	68,481,147	26th October 2020	39,200,439	29,280,708	61,933,033	
6 Tiles and Carpets	Supply of Water Meters	17,570,000	27th October 2022	-	17,570,000	17,570,000	
7 Marianna Enterprise	Supply of Leak Detection Equipments	1,950,000	1st September 2022	-	1,950,000	1,950,000	
<b>Sub-Total</b>		<b>554,062,406</b>		<b>409,250,103</b>	<b>119,512,173</b>	<b>229,670,659</b>	
<b>C. Construction of Civil Works- NWWDA</b>							
1 Suhifi Agencies Ltd	Mandera Water Infrastructure	1,420,417,043	3 <sup>rd</sup> January 2019	1,029,080,354	391,336,689	391,336,689.01	
2 Sinohydro Corporation ltd	Mandera Sewerage Infrastructure	1,039,413,014	6 <sup>th</sup> December 2018	908,145,262	131,267,752	339,693,354.57	
3 Sinohydro Corporation ltd	Marsabit Water Infrastructure	722,685,030	6 <sup>th</sup> December 2018	462,302,065	260,382,965	308,349,873.22	
4 Sinohydro Corporation ltd	Marsabit Sewerage Infrastructure	1,001,017,386	6 <sup>th</sup> December 2018	747,561,996	253,455,390	304,475,283.33	
5 Dido & Sons Lids	Istioio Water Supply and Sanitation Project	73,238,917	26 <sup>th</sup> October 2018	49,683,749	23,555,168	23,555,168.27	
6 Concordia Building and Civil Eng Co Ltd	Garissa Water Supply and Sanitation Project	191,467,331	26 <sup>th</sup> October 2018	171,146,599	20,320,732	78,203,663.68	
<b>Sub-Total</b>		<b>4,448,238,721</b>		<b>3,367,920,025</b>	<b>1,080,318,697</b>	<b>1,445,614,032</b>	

Supplier of Goods or Services	Brief Transaction Description	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
		a	b	c	d=a-c		
		Kshs.		Kshs.	Kshs.	Kshs.	
<b>D Supply of Goods and Services-NWDA</b>							
1	Rujil Consultancy	154,416,385	31st January 2019	107,096,119	47,320,266	47,320,266.34	
2	Saman Engineering Consultants	279,888,110	1st November 2018	111,455,074	168,433,036	168,433,035.87	
3	Isuzu East Africa Ltd	38,144,828	9th August 2019	38,144,828		38,144,827.59	
4	Impax Business Solutions	35,902,132	26th October 2020	2,635,150	33,266,982	33,266,982.30	
5	NWDA-Training	39,424,094	27th May 2021	16,000,000	23,424,094	23,424,094.00	
6	Kiri Consult Ltd	32,873,000	27th November 2020	14,792,850	18,080,150	32,873,000.00	
7	Sari Consulting Ltd		22nd September 2023	-	32,637,683	32,637,683.00	
8	Gath Consulting Engineers Ltd	32,637,683	22nd September 2023	-		-	
9	Tiles and Carpets	22,270,000	27th October 2022	-	22,270,000	22,270,000.00	
10	Mariana Enterprises	1,950,000	1st September 2022	-	1,950,000	1,950,000.00	
11	Vision 4 Africa	25,300,130	27th October 2022	8,161,227	17,138,902	25,300,129.53	
	Sub-Total	662,806,361		298,285,248	364,521,114	425,620,019	
	Total	10,446,463,353		7,229,792,515	3,191,370,709	4,442,923,021	

NB:

Kshs

1. Pending bills brought down FY 2021/2022 574,854,877
2. Payment request forwarded to MWS&I during FY 2022/2023 1,223,512,086
- Total Payments forwarded 1,798,366,963**
3. Payments made during FY 2022/2023 1,251,552,313
- Pending Bills during C/F to 2023/2023 FY 546,814,650**



**Annex 4b - Analysis of pending staff bills**  
 During the Financial year 2022/2023 there were no pending staff bills

**Annex 4c - Analysis of other pending payables - Land Acquisition**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
		a	b	c	d=a-c		
1 Henry Kithaji - Land LR. Karingani/Ndagani/1938	Land acquisition for Chuka Sewerage Projec	12,024,685	27 May, 2020	11,701,200	323,485	323,485	60% value of Land
2 Jediline Muthoni - Land LR. Karingani/Ndagani/1938	Land acquisition for Chuka Sewerage Projec	420,710	27 May, 2020	192,253	228,457	228,457	60% value of Land
3 Eliphira Kanyua - Land LR. Karingani/Ndagani/1938	Land acquisition for Chuka Sewerage Projec	331,710	27 May, 2020	151,583	180,127	180,127	60% value of Land
4 Janet Mwendé - Land LR. Karingani/Ndagani/1938	Land acquisition for Chuka Sewerage Projec	331,710	27 May, 2020	151,583	180,127	180,127	60% value of Land
5 Purity Murugi - Land LR. Karingani/Ndagani/1938	Land acquisition for Chuka Sewerage Projec	331,710	27 May, 2020	151,583	180,127	180,127	60% value of Land
6 Julius Mbabu Findenzio- Land LR. Karingani/Ndagani/11546	Land acquisition for Chuka Sewerage Projec	3,779,824	11 June, 2020	3,386,927	392,897	392,897	60% value of Land
7 Mary Njeri - Land LR. Karingani/Ndagani/1938	Land acquisition for Chuka Sewerage Projec	200,005	27 May, 2020	91,397	108,608	108,608	60% value of Land
<b>Sub Total</b>		<b>17,420,354</b>		<b>15,826,526</b>	<b>1,593,828</b>	<b>1,593,828</b>	

B Chogoria Sewerage Infrastructure									
1	Ashford Mt. Mjiririki - Land LR.WIMBI/KIRARO/665	Land acquisition for Chogoria Sewerage Project	1,159,579	17 March, 2020	625,832	533,747	533,747	60%	value of Land
2	Esher Njagana Mutua - Land LR. MWIMBI /KIRARO/556	Land acquisition for Chogoria Sewerage Project	2,913,738	31 March, 2020	2,913,738	-	-	60%	value of Land
3	Mangi Chambati - Land LR.WIMBI/KIRARO/657	Land acquisition for Chogoria Sewerage Project	2,235,717	07 April, 2020	1,381,654	854,063	854,063	60%	value of Land
4	Japhet Mwangia Mukinda - Land LR.WIMBI/KIRARO/732	Land acquisition for Chogoria Sewerage Project	2,446,343	07 April, 2020	1,272,098	1,174,245	1,174,245	60%	value of Land
5	Julian Riungu - Land LR.WIMBI/KIRARO/599	Land acquisition for Chogoria Sewerage Project	4,892,687	07 April, 2020	2,544,187	2,348,500	2,348,500	60%	value of Land
6	Bearrice Nkuene - Land LR.WIMBI/KIRARO/655	Land acquisition for Chogoria Sewerage Project	1,334,369	07 April, 2020	693,872	640,497	640,497	60%	value of Land
7	Wilfred Kariya - Land LR.WIMBI/KIRARO/656	Land acquisition for Chogoria Sewerage Project	1,556,764	07 April, 2020	1,556,764	-	-	60%	value of Land
8	Jackelin Kihuei LR.MWIMBI/MURUGI/2320	Land acquisition for Chogoria Water Supply Project	3,040,000	09 June, 2020	3,040,000	-	-	60%	value of Land
9	Hellen Kaburi Kariya -L.R No Mwiribi/KIRARO/147	Land acquisition for Chogoria Sewerage Project	1,000,000	14 September, 2020	520,000	480,000	480,000	60%	value of Land
10	Wilfred Mitchen Kariya -L.R No 147 Mwiribi/KIRARO/147	Land acquisition for Chogoria Sewerage Project	1,643,859	14 September, 2020	1,404,287	239,572	239,572	60%	value of Land
11	Nicholas Riungu Kariya -L.R No Mwiribi/KIRARO/147	Land acquisition for Chogoria Sewerage Project	3,217,009	14 September, 2020	2,977,437	239,572	239,572	60%	value of Land
12	Japhet Karuki Kariya -L.R No Mwiribi/KIRARO/147	Land acquisition for Chogoria Sewerage Project	3,851,673	14 September, 2020	3,612,101	239,572	239,572	60%	value of Land
13	James Kariya -L.R No Mwiribi/KIRARO/147	Land acquisition for Chogoria Sewerage Project	899,465	14 September, 2020	179,893	719,572	719,572	60%	value of Land
14	Caroline Wanjia Nkonge -L.R No Mwiribi/KIRARO/276	Land acquisition for Chogoria Sewerage Project	30,000	14 September, 2020	-	30,000	30,000	60%	value of Land
15	Wilson Mutembet Nkita -L.R No Mwiribi/KIRARO/652	Land acquisition for Chogoria Sewerage Project	344,267	14 September, 2020	-	344,267	344,267	60%	value of Land
16	Frank Kirigara S Kathimbu -L.R No Mwiribi/KIRARO/273	Land acquisition for Chogoria Sewerage Project	2,523,478	14 September, 2020	1,638,791	884,687	884,687	60%	value of Land
17	Timothy Mogenet Kariya - L.R No Mwiribi/KIRARO/744	Land acquisition for Chogoria Sewerage Project	808,283	14 September, 2020	613,032	195,251	195,251	60%	value of Land
18	Ardeline Nkanani Rucha - L.R No Mwiribi/KIRARO/555	Land acquisition for Chogoria Sewerage Project	3,513,699	14 September, 2020	3,513,699	-	-	60%	value of Land
19	Ndumbai Mwangia - L.R No Mwiribi/KIRARO/555	Land acquisition for Chogoria Sewerage Project	5,297,079	14 September, 2020	5,297,079	-	-	60%	value of Land
20	Calumen Kangai Kariya - L.R No Mwiribi/KIRARO/744	Land acquisition for Chogoria Sewerage Project	200,000	14 September, 2020	116,000	84,000	84,000	60%	value of Land
21	Kimathi Kariya - L.R No Mwiribi/KIRARO/744	Land acquisition for Chogoria Sewerage Project	1,080,383	14 September, 2020	885,132	195,251	195,251	60%	value of Land
22	Catherine Kahure Marete	Land acquisition for Chogoria Sewerage Project	4,896,550	07 April, 2021	1,958,620	2,937,930	2,937,930	60%	value of Land
<b>Sub Total</b>			<b>43,988,392</b>		<b>34,785,596</b>	<b>12,140,726</b>	<b>12,140,726</b>		
C Chogoria Water Project									
1	Lloyd Nyaga	Land acquisition for Chogoria Water Project	1,000,000	13 March, 2020	400,000	600,000	600,000	60%	value of Land
<b>Sub Total</b>			<b>1,000,000</b>		<b>400,000</b>	<b>600,000</b>	<b>600,000</b>		





13	Mohamed Caiya Adan	Acquisition of land for Mandera Water Infrastructure	500,000	25 July, 2022	500,000	-	-	-	Land value 100%
14	Ali Mohamed Kunaye	Acquisition of land for Mandera Water Infrastructure	500,000	25 July, 2022	500,000	-	-	-	Land value 100%
15	Adan Bare Hassan	Acquisition of land for Mandera Water Infrastructure	450,000	25 July, 2022	450,000	-	-	-	Land value 100%
16	Alqalam Academy	Acquisition of land for Mandera Water Infrastructure	3,900,000	17 October, 2022	3,900,000	-	-	-	Land value 100%
17	Hamdi David Ali	Acquisition of land for Mandera Water Infrastructure	10,990,000	17 October, 2022	10,990,000	-	-	-	Land value 100%
18	Lathan Abdi Dids	Acquisition of land for Mandera Water Infrastructure	1,320,000	17 October, 2022	1,320,000	-	-	-	Land value 100%
			47,960,478		47,960,478	-	-	-	
	<b>Total</b>		<b>309,730,188</b>		<b>204,012,814</b>	<b>108,655,304</b>	<b>108,655,304</b>	<b>108,655,304</b>	
	<b>Others</b>								
	<b>Legal Fees</b>								
1	Gichuhi Mwangi	Legal Fees for Chuka Sewerage	1,426,099	11 May, 2020	811,882	614,217		614,217	50% Balance for drawing of land sale agreement for Chuka Sewerage
2	Mithega K & Advocates	Legal Fees for Marsabit Sewerage	2,796,522	04 March, 2020	1,479,134	1,317,388		1,317,388	50% Balance for drawing of land sale agreement for Marsabit Sewerage
3	Mithega Karuki	Legal Fees for Chogoria Sewerage	1,068,803	04 March, 2020	556,027	512,776		512,776	50% Balance for drawing of land sale agreement for Chogoria Sewerage
	<b>Sub-Total Legal Fees</b>		<b>5,291,424</b>		<b>2,847,043</b>	<b>2,444,381</b>		<b>2,444,381</b>	
	<b>Grand Total for Land Acquisition and Legal Fees as at 30/6/2023</b>		<b>315,021,612</b>		<b>206,859,857</b>	<b>111,099,685</b>		<b>111,099,685</b>	



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**Annex 5 – Summary of fixed assets**

Asset class	Opening Cost	Donations in form of Assets	Purchases/Additions in the Year	Disposals in the Year	Transfers in/(out)	Closing Cost
	2021/2022	2021/2022	2022/2023	2022/2023	2022/2023	2022/2023
	(Kshs)	(Kshs)	(Kshs)	(Kshs)	(Kshs)	(Kshs)
	(a)	(b)	(c)	(d)	(e)	(f)= (a)+ (b)-(c)+(-) d+(-)e
Land	433,483,098	-	49,630,942	-	-	483,114,040
<b>Total</b>	<b>433,483,098</b>	<b>-</b>	<b>49,630,942</b>	<b>-</b>	<b>-</b>	<b>483,114,040</b>





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**Appendices**

<b>S/ No.</b>	<b>Particulars</b>	<b>Remarks</b>
1	Signed confirmations from beneficiaries in Transfers to Other Government Entities	N/A
2	Bank Reconciliations as at 30 <sup>th</sup> June 2023	N/A
3	Board of Survey Report	N/A
4	Special Deposit Account(s) reconciliation statement(s)	N/A
5	GoK IFMIS comparison Trial Balance	N/A