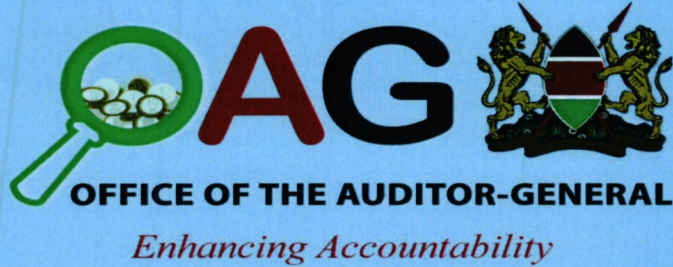



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THE AUDITOR-GENERAL

ON

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

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

**TANA WATER WORKS DEVELOPMENT
AGENCY**



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

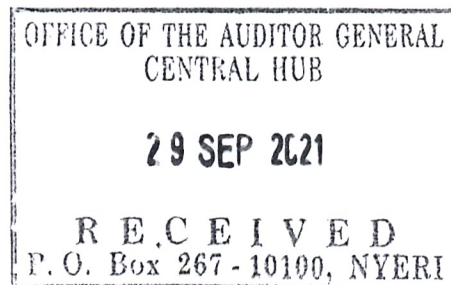
IMPLEMENTING ENTITY: TANA WATER WORKS DEVELOPMENT AGENCY

PROGRAM LOAN NUMBER: 2000200000501

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



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1. PROGRAM INFORMATION AND OVERALL PERFORMANCE

1.1 Name and Registered Office

Name: The Program official name is Kenya Towns Sustainable Water Supply and Sanitation Program (KTSWSSP)

Objective: The key objective of the program is to improve the access, quality, availability and sustainability of water supply and wastewater management services in multiple towns 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.

Address: The Program 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 Program contacts
Telephone: 061-2032282
E-mail: info@tanawwda.go.ke or tanawaterboard@yahoo.com
Website: www.tanawwda.go.ke

1.2 Program Information

Program Start Date:	The Program start date is 9 January 2017
Program End Date:	The Program end date is 31 December 2023
Program Manager:	The Program manager is Eng. Philip Gichuki
Program Sponsor:	The Program sponsor is African Development Bank

1.3 Program Overview

Line Ministry	The Program is under the supervision of the Ministry of Water, Sanitation and Irrigation
Program Number	P-KE-E00-011
Strategic Goals of the Program	The Strategic Goals of the Program are; <ul style="list-style-type: none"> 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 and Garissa with a view to catalyzing commercial activities, driving economic growth and employment creation. ii. To improve the access to wastewater management services in the Kenya towns of Kerugoya, Kutus, Chuka, Chogoria, Meru, Othaya, Mandera, Marsabit and Isiolo with a view to catalyzing commercial activities, driving economic growth, and employment creation.
Achievement of Strategic Goals	The Program Management aims to achieve the goals through the following means: <ul style="list-style-type: none"> i. Construction of water supply infrastructure for improved water services in 9 No. Kenyan towns. ii. Construction of sewerage infrastructure for improved sanitation services in 9 No. Kenyan towns.
Other Important Background Information of the Program	The Program aims is to: <ul style="list-style-type: none"> i. Improve the health and quality of life in the 11 No. towns. ii. Reduce poverty levels of the population through provision of water and sanitation services on a sustainable basis and employment creation in the 11 No. Towns iii. Catalyse commercial activities to drive economic growth in the 11 No. towns
Current Situation that the Program was formed to Intervene	The Program was formed to intervene in the following areas: <ul style="list-style-type: none"> i. Water coverage where the water needs are not being addressed by any other Development Partners in the 9 No. towns. ii. Sewerage coverage where sanitation needs is not being addressed by any other Development Partners in the 9 No. towns iii. Last Mile Connectivity to customers to complement the completed Program in the towns of Murang'a, Othaya, Garissa and Isiolo. iii. Water quality testing by constructing laboratory and equipping of the laboratory in the 6 No. Kenya towns. iv. Sewerage test by constructing laboratory and equipping of the laboratory in the 6 No. Kenyan towns. v. Capacity development of Water Service Providers and the

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	<p>Agency staff through trainings in the 9 No. Towns</p> <p>vi. Bills Processing by installing billing software to increase efficiency in billing process in 5 No. towns.</p> <p>vii. Non-Revenue Water Management by procuring of water meters and Leak Detection Equipment for Non-Revenue Water Management in the 5 No. towns</p> <p>viii. Resilience against climate variability and change by Construction of Biogas Domes in 3 number towns and Landfill cell for Meru town.</p> <p>iv. Agencies Resource Management by installation of Enterprise Resource Planner (ERP) in the 2 Agencies.</p> <p>v. Building capacity of 5 No. Water Service Providers by Procurement of 8 No. of Vacuum Exhausters.</p>
Program Duration	The Program started on 9 January 2017 and is expected to run until 31 December 2023

1.4 Bankers

The following is the banker for the current year:

Kenya Commercial Bank
 Nyeri Branch
 P.O Box 215-10100
 Nyeri, KENYA

1.5 Auditors

The Program 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

1.6 Roles and Responsibilities

The following officers are involved in the Program implementation;

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

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Names	Title designation	Key qualification	Responsibilities
			and Irrigation for onward transmission to The National Treasury and Planning and ADB <ul style="list-style-type: none"> • Preparing Program Budget Estimates
Samuel K. Ndung'u	Program Engineer-NWWDA	Bsc. Civil Engineering	<ul style="list-style-type: none"> • Assist in Programs monitoring and reviewing • Assist in Presenting Programs progress reports • Assist in ensuring Program implementation is in accordance to AfDB guidelines
Martin Gitonga	Procurement Specialist-TWWDA	Bachelor of Supply Chain Management	<ul style="list-style-type: none"> • Preparation of procurement Plan for the programme • Ensuring Procurement of Goods, Works and Services under the Programs is in accordance to the AfDB guidelines
Benedict Kimwaki	Procurement Specialist-NWWDA	Msc. Supply Chain Management	<ul style="list-style-type: none"> • Assist in preparation of procurement Plan for the programme • Assist in ensuring Procurement of Goods, Works and Services under the Programs is in accordance to the AfDB Guidelines

1.7A. Source of Fund

(i) Funding Summary – External Assistance

The Program is for a duration of 7 years from 9th January 2017 to 31st December 2023 with an approved budget of USD 107,631,872 equivalent to KES 10,998,156,567 as highlighted in the table below:

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Below is the funding summary:

Source of Funds

Source of Funds	Donor Commitment/ GOK		Amount received to date (30 June 2021)		Undrawn balance to date (30 June 2021)	
	<i>Donor currency USD</i>	<i>KES</i>	<i>Donor currency USD</i>	<i>KES</i>	<i>Donor currency USD</i>	<i>KES</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Loan						
Africa Development Bank*	55,675,511	5,689,093,088	16,155,605	1,650,314,283	39,519,906	4,038,778,805
Africa Development Bank**	51,956,361	5,309,063,479	19,981,216	2,052,750,321	31,975,145	3,256,313,158
Total	107,631,872	10,998,156,567	36,136,821	3,703,064,604***	71,495,051	7,295,091,963

*Loan for Tana Water Works Development Agency

**Loan for Northern Water Works Development Agency

***Amount received to date (KES)

2017/2018	2018/2019	2019/2020	2020/2021	Cumulative to date
KES		KES	KES	KES
190,896,104	707,494,626	1,392,345,820	1,412,328,054	3,703,064,604

(ii) Funding Summary – GoK Counterpart

Counterpart Funds	GOK Commitment	Amount received to date (30 June 2021)	Undrawn balance to date (30 June 2021)
	<i>KES</i>	<i>KES</i>	<i>KES</i>
Government of Kenya	1,723,829,051	614,873,884*	1,108,955,167

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***Amount received to date**

2017/2018	2018/2019	2019/2020	2020/2021	Cummulative to date
KES	KES	KES	KES	KES
64,873,884	75,000,000	300,000,000	175,000,000	614,873,884

Computation (Amount in Millions)

Total Program Amount = ADB Loan UA 271.721
ADF Loan UA 5.135
GoK UA 43.388
UA 320.244

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

=KES 10,998,156,567 *13.55% =KES **1,723,829,051**
86.45%

1.7B. Application of Funds

(i) Application of funds Summary – External Assistance

Application of Funds	Amount received to date (30 th June 2021)		Cumulative Amount Paid to date (30 th June 2021)		Unutilized balance to date (30 June 2021)	
	<i>Donor currency USD</i>	<i>KES</i>	<i>Donor currency USD</i>	<i>KES</i>	<i>Donor currency USD</i>	<i>KES</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i)Loan						
Africa Development Bank*	16,155,605	1,650,314,283	16,155,605	1,650,314,283	-	-
Africa Development Bank**	19,981,216	2,052,750,321	19,981,216	2,052,750,321	-	-
Total	36,136,821	3,703,064,604	36,136,821	3,703,064,604	-	-

(ii) Application of Funds Summary – GoK Counterpart

Counterpart Funds	Amount received to date (30 June 2021) <i>KES</i>	Cumulative amount paid to date (30 June 2021) <i>KES</i>	Unutilized balance to date (30 June 2021) <i>KES</i>
Government of Kenya	614,873,884	614,853,591	20,293

1.8 Summary of Overall Program Performance:

i) Budget Performance against actual amounts for current year and for cumulative to date

a) Budget Performance against actual amount for the current year

In FY 2020/2021 budget was KES 1,800,000,000 and actual expenditure was KES 1,741,619,366

Budgetary performance against actual amounts for currently year

Details	Budget (KES)	Expenditure (KES)	Variance (KES)	Percentage Absorption (%)
Loan	1,500,000,000	1,412,328,054	87,671,946	6
GoK Counterpart	300,000,000	329,291,312	(29,291,312)	(10)
Total	1,800,000,000	1,741,619,366	58,380,634	3

b) Budget Performance against actual amounts for cumulative to date

Cumulative allocation for the program is KES 5,030,000,000 against cumulative actual expenditure of KES 4,317,918,193

Budgetary performance against actual amounts for cumulative to date

Year	Details	Budget (KES)	Expenditure (KES)	Variance (KES)	Percentage Absorption (%)
2017/2018	Loan	300,000,000	190,896,104	109,103,896	36.37
	GoK Counterpart	-	64,873,884	(64,873,884)	
2018/2019	Loan	730,000,000	707,494,626	22,505,374	3.08
	GoK Counterpart	100,000,000	61,447,050	38,552,950	38.55
2019/2020	Loan	1,700,000,000	1,392,345,820	307,654,180	18.10

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Year	Details	Budget (KES)	Expenditure (KES)	Variance (KES)	Percentage Absorption (%)
	GoK Counterpart	400,000,000	159,241,343	240,758,657	60.19
	Loan	1,500,000,000	1,412,328,054	87,671,946	5.84
2020/2021	GoK Counterpart	300,000,000	329,291,312	(29,291,312)	-9.76
Total		5,030,000,000	4,317,918,193	712,081,807	14.16

ii) Physical Progress based on outputs, outcomes

The bulk of works are at construction stage, hence the performance and impact of the Program cannot be evaluated at this stage. However, the overall value of work done is at 33.67%.

iii) Value for Money Achievement

The amount paid to consultants and contractors is as follows:

S/ No.	Details	Amount
1	Consultancy	368,474,206
2	Contractors	1,693,588,917
3	Advance Payment	1,641,001,481
4	Administration Cost	614,853,591

$$\text{Value for Money} = \frac{\text{Actual Works Cost} \times 100}{\text{Total Budget}} = \frac{1,693,588,917 \times 100}{5,030,000,000} = 33.67\%$$

Physical work done is at 55.6% compared to 33.67% of the value of work done.

iv) Absorption Rate

The Program Absorption rates are as follows:

Financial Year	Computation	Absorption Rate (%)
2020/2021	$\frac{\text{Actual expenditure} = 4,317,918,193 \times 100}{\text{Total Program Cost } 12,721,985,618}$	33.94
2019/2020	$\frac{\text{Actual expenditure} = 2,576,298,827 \times 100}{\text{Total Program Cost } 12,721,985,618}$	20.25
2018/2019	$\frac{\text{Actual Expenditure} = 1,038,264,614 \times 100}{\text{Total Program Cost } 12,721,985,618}$	8.2

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Financial Year	Computation	Absorption Rate (%)
2017/2018	<u>Actual Expenditure</u> = $\frac{255,769,988 \times 100}{11,065,854,281}$	2.3

v) Implementation Challenges

- Acquisition of Program 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 and Kenya Wildlife Services.
- Covid -19 containment measures.
- Insecurity particularly in Mandera.

vi) Recommended Way Forward

- (i) Engaging the Ministry of Water, Sanitation and Irrigation in ensuring that in FY 2021/2022 there is adequate budgetary allocation for land and way leave acquisition.
- (ii) Engaging the Ministry of Water, Sanitation and Irrigation in ensuring that allocated funds are disbursed in time.
- (iii) The Agency has engaged the Ministry of Water, Sanitation and Irrigation to engage with other government Agencies on matters of land easement.
- (iv) The Agency issued the contractors with travel authority to travel in and out of all Counties.
- (v) The Agency has engaged the National Government Administration Offices in Mandera to ensure the contractor is safe.

1.9 Summary of Program Compliance

- i) The Program 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 Program.

2. STATEMENT OF PERFORMANCE AGAINST PROGRAM'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 program 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 program 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 Programs 2017-2021 plans are to:

- a) To improve the access, quality, availability and sustainability of water supply services in 9 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 9 number 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 number Water Service Provider

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 objective:

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Program	Objective	Outcome	Indicator	Performance
Kerugoya-Kutus Water Supply Program	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	% of people with access to piped water	In FY 2020/2021 the Works implemented overall is 20% consisting of construction of: 20,000 m ³ Kiringa Intake, 10,000m ³ Thiba Intake Raw Water Mains for Kiringa DN 450 GRP pipes 1.7km and Thiba DN 300 GRP pipes 4.3km, 30,000 m ³ /day capacity Muratiri Treatment works , 3 No. Storage tanks (Kanjogu- 2,000m ³ , Gakoigo 3,000m ³ and Sagana 1500m ³) and 56.5 km transmission Mains ranging from Diameter 500mm-250mm GRP/HDPE pipes.
Kerugoya-Kutus Sewerage Program	To improve the access to wastewater management services in with a view to catalysing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2020/2021 the Works implemented overall is 42% consisting of construction of: 3000m ³ capacity Wastewater Stabilization Ponds, 32.085km of Diameter ranging from 700-225mm Trunk Sewer Mains and ancillary Works

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Program	Objective	Outcome	Indicator	Performance
Chuka Water Supply Program	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	% of people with access to piped water	In FY 2020/2021 the Works implemented overall is -7% consisting of construction of:15,000 m3/day capacity Kirege Treatment works
Chuka Sewerage Program	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2020/2021 the Works implemented overall is -42% consisting of construction of:1,100m ³ /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
Chogoria Water Supply Program	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	% of people with access to piped water	In FY 2020/2021 the Works implemented overall is -50% consisting of construction of:South Mara Intake-15,000m ³ , 2 KM Raw Water Mains , 15,000m ³ /day Kibaranu Treatment works,13.6km Transmission mains ranging from

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Program	Objective	Outcome	Indicator	Performance
				350mm to 200mm ferrous pipes and 3 No. Storage tanks (Kianjagi- 1000m ³ , Kairuni- 500m ³ and Iruma- 100m ³)
Chogoria Sewerage Program	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2020/2021 the Works implemented overall is -46% consisting of construction of: 550m ³ /day Capacity Wastewater Stabilization Ponds, and ancillary ,300-200mm Diameter length 29km Trunk Sewer Mains/ Secondary Sewers .
Meru Sewerage Program	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2020/2021 the Works implemented overall is -40% consisting of construction of: 8,000m ³ /day Capacity Wastewater Stabilization Ponds, Diameter 600-300mm DWC pipes Trunk Sewer Mains/Secondary Sewers of length 56km and ancillary works.
Mandera Water Supply Program	To improve the access, quality, availability and sustainability of water with	Improved Water Supply Services	% of people with access to piped	In FY 2020/2021 the Works implemented overall is -58%

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Program	Objective	Outcome	Indicator	Performance
	a view to catalyzing commercial activities, driving economic growth and employment creation.		water	consisting of construction of: Intake(2 No Infiltration wells), Rising Mains to Bull Galaas and Water Supply Pipeline - 144 Km of Diameter 450 to 400mm.
Mandera Sewerage Program	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2020/2021 the Works implemented overall is -31% consisting of construction of:6,000 m ³ /day capacity Wastewater Stabilization Ponds, 48.5km Trunk Sewer Mains/Secondary Sewers of Diameter 900-160mm PCC pipes and ancillary works
Marsabit Water Supply Program	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	% of people with access to piped water	In FY 2020/2021 the Works implemented overall is -59.1% consisting of 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 ³ each.
Marsabit Sewerage	To improve the access to wastewater management	Improved Sanitation	% of people with access	In FY 2020/2021 the Works implemented

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Program	Objective	Outcome	Indicator	Performance
Program	services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Services	to sewerage services	overall is -76.2% consisting of construction of: Trunk sewer 4.7km dia ranging from 300-375mm, Secondary sewers 22.7km Diameter 225mm ,Sewerage treatment works capacity- 5700m ³ /da
Garissa Water Supply Program-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	% of people with access to piped water	In FY 2020/2021 the Works implemented overall is -58% consisting of 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. elevated steel Storage tanks of capacity 300m ³ each
Isiolo Water Supply and Sewerage Program-Last Mile Connectivity	To improve the access, quality, availability and sustainability of water supply and wastewater management services	Improved Water Supply and Sewerage Services	% of people with access to piped water and Sewerage Services	In FY 2020/2021 the Works implemented overall is -94% consisting of construction of: 9.454 Km of Water Supply Pipelines of Diameters ranging from 160-63mm HDPE pipes and 12.125Km of

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Program	Objective	Outcome	Indicator	Performance
				sewerage pipelines of diameter 200mm UPVC
Murang'a Urban Water Supply Program-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	% of people with access to piped water	In FY 2020/2021 the Works implemented overall is -100% consisting of construction of:7 Km Water Supply Pipelines of 280mm Diameter HDPE pipes.
Murang'a South Water Supply Program-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	% of people with access to piped water	In FY 2020/2021 the Works implemented overall is 76% consisting of construction of:6 Km Water Supply Pipelines of 160mm Diameter HDPE pipes.
Othaya Sewerage Program-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	% of people with access to sewerage services	In FY 2020/2021 the Works implemented overall is 91% consisting of construction of:1No. Ablution Block, Sludge Drying Bed and 7.8 km Sewerage pipelines UPVC pipes, diameter 200mm.
Construction of Biogas Domes in 3 No.towns	To build resilience against climate variability and change	Resilience against climate variability and change	% of reduction of emission of Greenhouse Gases	Consultant engaged to undertake Detailed design
Construction of Landfill cell for	To build resilience against climate variability and	Resilience against	% of people with access	Activity to Commence in FY

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Program	Objective	Outcome	Indicator	Performance
Meru Town	change	climate variability and change	to solid waste management services	2021/2022
Procurement of Exhausters	To build capacity of water service providers	Improved Capacity of Water Service Providers towards service provision	% of people with access to sewerage services	8 No. Exhausters were procured and 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	% of Reduction of Non-Revenue Water	Activity to Commence in FY 2021/2022
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	Automation of Business Processes	FY2020/2021, the Contractor for Installation of ERP has been engaged
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	Activity to Commence in FY 2021/2022 due to COVID- Pandemic

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/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. Our activities that drive towards sustainability are:

1. Sustainability strategy and profile

Kenya's economic freedom score is 54.9, making its economy the 138th freest in the 2021 Index. Its overall score has decreased by 0.4 point, primarily because of a decline in judicial effectiveness. 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, tanks and water kiosks, pump installation, laying pipes and construction of communal water points. The Agency believes that reforestation will play a crucial role in reducing our 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 continue implementing the government's "Big Four Agenda" that aims to provide Universal Healthcare and affordable housing, increase manufacturing and improved food security. The Programs involved development of water and sewerage infrastructure. The Agency acknowledges its responsibility to society in its capacity as a corporate citizen. Consequently, it endeavours 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 Programs, 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 competition practice

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 Programs 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.

b) Responsible supply chain and supplier relations

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

c) Responsible marketing and advertisement

The Agency complies with all laws and regulations dealing with marketing practices. All advertisements for tenders and jobs undergo internal review for accuracy and compliance. Advertising is set apart from entertainment and news and the line is clear. The Agency also ensures privacy of customer and consumer information and data protection.

d) Product stewardship

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 Programs, it ensures that there is minimal impact on the environment. Environmental Social Impact Assessment is undertaken in all Programs 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 Programs, 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

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investment programs. 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 Programs 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.

4. STATEMENT OF PROGRAM MANAGEMENT RESPONSIBILITIES

The Chief Executive Officer, Tana Water Works Development Agency and the Program Coordinator for ADB Program are responsible for the preparation and presentation of the Program's Financial Statements, which give a true and fair view of the state of affairs of the Program for and as at the end of the financial year ended on June 30, 2021.

This responsibility includes:

- i. Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period;
- ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Program;
- 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 Program;
- 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 Program Coordinator for ADB funded program accept responsibility for the Program'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.

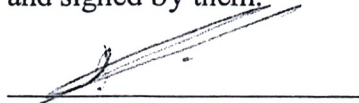
The Chief Executive Officer, Tana Water Works Development Agency and the Program Coordinator for ADB funded Program are of the opinion that the Program's Financial Statements give a true and fair view of the state of Program's transactions during the financial year ended June 30, 2021, and of the Program's financial position as at that date. The Chief Executive Officer, Tana Water Works Development Agency and the Program Coordinator for ADB funded program further confirm the completeness of the accounting records maintained for the Program, which have been relied upon in the preparation of the Program 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 Program Coordinator for ADB funded Program confirm that the Program has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Program funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

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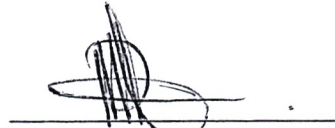
Approval of the Program Financial Statements

The Program Financial Statements were approved by the Chief Executive Officer for TWWDA and the Program Coordinator for ADB funded Program on 17/10/21 2021 and signed by them.



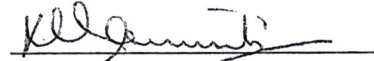
Chief Executive Officer

Name: Eng. Philip Gichuki



Program Coordinator

Name: Arthur Mamo

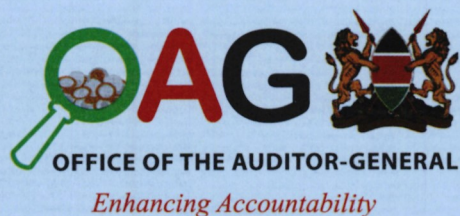


Program Accountant

Name: CPA Nicholas Kariuki
ICPAK Member Number: 6863

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Kenya Towns Sustainable Water Supply and Sanitation Program set out on pages 1 to 20, which comprise the statement of financial assets as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015 and the Loan Agreement No. 2000200000501 between the African Development Bank and the Republic of Kenya dated 09 January, 2017. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Towns Sustainable Water Supply and Sanitation Program as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Loan Agreement No.2000200000501 dated 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 Qualified Opinion

1. Cash and Cash Equivalents

As pointed out in the previous year, the statement of financial assets as at 30 June, 2021 reflects bank balances of Kshs. 20,295. However, the Implementing Agency did not open the Program's bank account for purposes of receiving and accounting for counterpart funds as required under Article I, Section 1.2(j) of the Subsidiary Loan Agreement. The Implementing Agency operates one development account No.1101998773 into which all development funds are received and accounted for.

A review of the cashbook, bank reconciliation statements and breakdown schedule for the development account No.1101998773 revealed that the account had a closing balance of Kshs.401,562,709.94 as at 30 June, 2021 out of which an amount of Kshs.20,295 was attributed to the Program. However, the completeness and accuracy of the balance of Kshs.20,295 could not be ascertained in the absence of a separate bank account for the Program.

The Management did not provide satisfactory explanation for failing to open the Program's bank account to avoid commingling of funds with those intended for other

GOK development projects being implemented by Tana Water Works Development Agency.

2. Acquisition of Land - Lack of Ownership Documents

The Statement of receipts and payments for the period ended 30 June, 2021 reflects acquisition of non-financial assets expenditure of Kshs.31,904,151 and Kshs.154,917,445, all totalling to Kshs.186,821,596 in respect of acquisition of land and as disclosed under Note 10.6(a) & (b) to the financial statements. Included in this amount is Kshs.169,940,630 and Kshs.16,880,966 for fully paid and partly paid parcels of land respectively. However, although the sale agreements with the vendors for the respective parcels of land were provided for audit verification, there was no evidence that title deeds had been acquired.

In the circumstances, it has not been possible to ascertain the ownership status of the parcel of land amounting to Kshs.186,821,596.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

During the year under review, the Program had an approved total expenditure budget of Kshs.1,800,000,000 against the actual expenditure of Kshs.1,741,619,366 translating to 97% budget performance. Similarly, out of the budgeted receipts of Kshs.1,800,000,00, the project received Kshs.1,587,328,054 or 88%. Management has attributed the shortfall in receipts to delay in disbursement of the 4th quarter allocation and unfinalized payment documents submitted to the Parent Ministry for onward transmission to The National Treasury.

Other Information

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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

Delay in Project Implementation

As previously reported, available information and 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 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. Review of the project status report dated 31 August, 2021, indicated that ten (10) out of sixteen (16) projects were less than 50% complete by 31 August 2021, three months to the end of the contract period.

Although the Management attributed the delay in implementation of the projects to failure to obtain tax exemption and inadequate counterpart funding, no evidence was provided on measures being taken to forestall the recurrence of a similar situation.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Projects Verification

During the year under review, seven (7) projects with a contract sum of Ksh.4,079,728,886 were visited for verification in the month of September, 2021 and the following observations were made:

Project No.	Project Description/ Details	Contract Amount (Kshs)	Audit Observations	Total Payment as at 30 June, 2021 (Kshs)
1.	Chogoria Water Infrastructures Project	574,317,061	(i) Intake works were 80% complete (ii) Treatment plant was 60% done (iii) Elevated steel tank had not been constructed (iv) Staff houses and administration block were at lintel level (v) Wayleave/land for the sewer line and construction of 500M ³ storage tank at Iruma area had not been granted as the owners were yet to be compensated. Further, construction site for storage tank at Kairuni was yet to be identified and valued by the National Land Commission. (vi) The overall project status was 68% complete and given the problem of wayleaves and acquisition of land the Project may not be completed by 03 December, 2021.	253,469,913
2.	Chogoria Sewerage Infrastructure Project	374,595,276	(i) An inlet, Anaerobic ponds and sludge beds had not been constructed (ii) Administration offices and staff houses had not been done	137,173,289

Project No.	Project Description/ Details	Contract Amount (Kshs)	Audit Observations	Total Payment as at 30 June, 2021 (Kshs)
			<p>(iii) Three acres of land were yet to be procured and the land owners were to provide documents of title of ownership so as to allow compensation.</p> <p>(iv) Wayleave for sewer line had not been granted</p>	
3.	Chuka Sewerage Infrastructure Project	459,368,692	<p>(i) Sewerage treatment plant was at 80% complete</p> <p>(ii) Sewerage line not constructed as a result of non-compensation of land owners for wayleave</p>	225,142,587
4.	Meru Sewerage Infrastructure	874,506,524	<p>(i) The sewerage works were ongoing and were only 56% complete</p> <p>(ii) Access road to the project had not been constructed</p> <p>(iii) Fifty-six (56) Kms of sewer line were supposed to have been done but only ten (10) Kms or 20% had been carried out.</p> <p>(iv) Wayleave for the sewer line had not been granted as the land owners were yet to provide ownership documents to the Implementing Agency to facilitate compensation of the crops / vegetation on their land.</p> <p>(v) Two staff houses and laboratory had been constructed but electrical works had not been carried out</p>	253,909,782

Project No.	Project Description/ Details	Contract Amount (Kshs)	Audit Observations	Total Payment as at 30 June, 2021 (Kshs)
			(vi) The overall Project status was 44% complete and given that it was only one month to the set completion date of 20 October 2021 there is no likelihood of meeting the set contract end period	
5.	Marsabit Water Supply Infrastructure Project	722,685,030	(i) The construction of water supply infrastructure was about 65% complete	258,008,943
6.	Marsabit Sewerage Infrastructure Project	1,001,017,386	(i) Construction of sewerage infrastructure was about 75% complete (ii) Three (Two Toyota twin cab pickup and a land cruiser) with a total cost of Kshs.17,000,000 had not been provided. (iii) Sewer treatment plant is being constructed on thirty-seven and a half (37.5) acres of land whose title deed has not been processed. (iv) Capacity building with a provisional sum of Kshs.26,250,000 had not been done.	419,622,765
7.	Isiolo Town Water Supply and Sewerage Project-Last Mile Connectivity	73,238,917	(i) Construction of six sewer lines were complete (ii) Construction of Mwangaza line estimated to cost of Kshs.7,848,517 was 37% complete	49,683,749
	Total	4,079,728,886		1,597,011,028

As a result, there is risk of significant number of works not being completed within the contract period which may result in cost escalations.

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 Program, so far as appears from the examination of those records; and
- iii The Program's financial statements agree with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

Program 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 Program 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, Program Management is responsible for assessing the Program'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 Program Management is aware of the intention to terminate the Program or to cease operations.

Program 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, Program Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Program monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Program'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 Program 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 Program 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.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

15 November, 2021

Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Program
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For the Financial Year Ended June 30 2021

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

	Note	2020/2021		2019/2020		*Cumulative to-date
		Receipts and Payments controlled by TWWDA	Payments made by ADB	Receipts and Payment controlled by TWWDA	Payments made by ADB	
		KES	KES	KES	KES	KES
RECEIPTS						
Transfers from Government Entities	10.3 Pg 10	175,000,000	-	300,000,000	-	614,873,884
Loan from External Development Partners	10.4a Pg 10	-	658,094,146	-	769,128,459	1,650,314,283
Loan from External Development Partners	10.4b Pg 10	-	754,233,908	-	623,217,361	2,052,750,321
TOTAL RECEIPTS		175,000,000	1,412,328,054	300,000,000	1,392,345,820	4,317,938,488
PAYMENTS						
Purchase of Services	10.5a Pg 10		66,239,644	-	13,099,232	202,402,665
Purchase of Services	10.5b Pg 10		30,774,366	-	-	154,049,966
Acquisition of Non-Financial Assets	10.6a Pg 11	31,904,151	591,854,502	69,939,317	756,029,227	1,600,322,439
Acquisition of Non-Financial Assets	10.6b Pg 11	154,917,445	723,459,542	29,446,384	623,217,361	2,083,064,184
Project Administrative Costs	10.7 Pg 11	4,174,933		59,855,642	-	139,784,156
Land Easement and Wayleaves	10.7 Pg 11	138,294,783				138,294,783
TOTAL PAYMENTS		329,291,312	1,412,328,054	159,241,343	1,392,345,820	4,317,918,193
SURPLUS/(DEFICIT)		(154,291,312)	-	140,758,657	-	20,295

*Cumulative to date figures are tabulated as follows:

Receipts	Note	FY 2020/2021	FY 2019/2020	FY 2018/2019	FY 2017/2018	Cumulative to date
		KES	KES	KES	KES	
Transfers from Government Entities	10.3 Pg 10	175,000,000	300,000,000	75,000,000	64,873,884	614,873,884
Loan from External Development Partners	10.4a Pg 10	658,094,146	769,128,459	107,915,889	115,175,789	1,650,314,283
Loan from External Development Partners	10.4b Pg 10	754,233,908	623,217,361	599,578,737	75,720,315	2,052,750,321
Total		1,587,328,054	1,692,345,820	782,494,626	255,769,988	4,317,938,488
Payments						
Purchase of Goods and Services	10.5a Pg 10	66,239,644	13,099,232	7,888,000	115,175,789	202,402,665
Purchase of Goods and Services	10.5b Pg 10	30,774,366		47,555,285	75,720,315	154,049,966
Acquisition of Non-Financial Assets	10.6a Pg 11	623,758,653	825,968,544	125,577,784	25,017,458	1,600,322,439
Acquisition of Non-Financial Assets	10.6b Pg 11	878,376,987	652,663,745	552,023,452		2,083,064,184
Project Administrative Costs	10.7 Pg 11	4,174,933	59,855,642	35,897,155	39,856,426	139,784,156
Land Easement and Wayleaves	10.7 Pg 11	138,294,783	-	-	-	138,294,783
Total		1,741,619,366	1,551,587,163	768,941,676	255,769,988	4,317,918,193

Notes

10.4a, 10.5a & 10.6a Relates to Tana Water Works Development Agency

10.4b, 10.5b & 10.6b 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

Chief Executive Officer
Name: Eng. Philip Gichuki

Date

17/08/2021

Program Coordinator
Name: Arthur Mamo

Date

17/08/2021

Program Accountant

Name: CPA Nicholas Kariuki
ICPAK Member No: 6863

Date

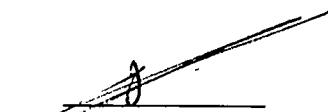
17/08/2021

**Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Program
Reports and Financial Statements
For the Financial Year Ended June 30 2021**

5. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

	Note	2020/2021	2019/2020
		KES	KES
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10.8A Pg 11	20,295	154,311,607
Cash Balances	10.8B Pg 11	-	-
Cash Equivalents (short-term deposits)	10.8C Pg 11	-	-
Total Cash and Cash Equivalents		20,295	154,311,607
Accounts receivables – Imprest and Advances		-	-
TOTAL FINANCIAL ASSETS		20,295	154,311,607
REPRESENTED BY			
Fund balance b/f		154,311,607	13,552,950
Prior year adjustments		-	-
Surplus/(Deficit) for the year		(154,291,312)	140,758,657
NET FINANCIAL POSITION		20,295	154,311,607


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 17/08 2021 and signed by:



Chief Executive Officer

Name: Eng. Philip Gichuki

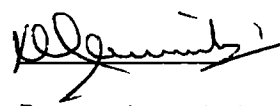
17/08/2021
Date



Program Coordinator

Name: Arthur Mamo

17/08/2021
Date



Program Accountant

Name: CPA Nicholas Kariuki

ICPAK Member Number: 6863

17/08/2021
Date

8. STATEMENT OF CASHFLOW FOR THE PERIOD 30 JUNE 2021

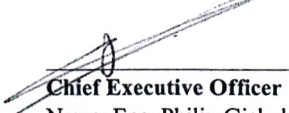
	Note	2020/2021	2019/2020
		KES	KES
Receipts for Operating Activities			
Transfer from Government Entities	10.3 pg10	175,000,000	300,000,000
Payments for Operating Activities			
Purchase of Services	10.5a pg10	(66,239,644)	(13,099,232)
Purchase of Services	10.5b pg10	(30,774,366)	-
Acquisition of Non- Financial Asset	10.6a pg 11	(591,854,502)	(756,029,227)
Acquisition of Non- Financial Asset	10.6b pg 11	(723,459,542)	(623,217,361)
Project Administrative Costs	10.7 pg 11	(142,469,716)	(59,855,642)
Net Cash Flow from Operating Activities		(1,379,797,770)	(1,152,201,462)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10.6 pg 11	(186,821,596)	(99,385,701)
Net Cash Flows from Investing Activities		(186,821,596)	(99,385,701)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	10.4a pg 10	658,094,146	769,128,459
Proceeds from Foreign Borrowings	10.4b pg 10	754,233,908	623,217,361
Net Cash Flow from Financing Activities		1,412,328,054	1,392,345,820
NET INCREASE IN CASH AND CASH EQUIVALENT		-	-
Cash and Cash Equivalent at Beginning of the Year		154,311,607	13,552,950
Cash and Cash Equivalent at End of the Year*		20,295	154,311,607

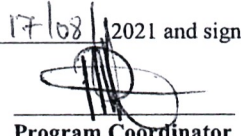
*Reconciliation of Cash and Cash Equivalent at end of the year


	KES
Balance b/d	154,311,607
Receipt from Government	175,000,000
Payments	-329,291,312
Surplus	20,295

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

The Project's financial statements were approved on 17/08/2021 and signed by:


Chief Executive Officer
 Name: Eng. Philip Gichuki


Program Coordinator
 Name: Arthur Mamo


Program Accountant
 Name: CPA Nicholas Ke
 ICPAK Member No: 68

17/08/2021
 Date

17/08/2021
 Date

17/08/2021
 Date

Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Program
Reports and Financial Statements
For the Financial Year Ended June 30 2021

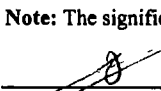
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS						
Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=e/c %
Receipts	KES	KES	KES	KES	KES	
Transfer from Government Entities	448,413,000	(148,413,000)	300,000,000	175,000,000	125,000,000	42%
Proceeds from Borrowings*	2,281,212,000	(1,502,133,000)	779,079,000	658,094,146	120,984,854	16%
Proceeds from Borrowings**	2,200,829,000	(1,479,908,000)	720,921,000	754,233,908	-33,312,908	-5%
Total Receipts	4,930,454,000	(3,130,454,000)	1,800,000,000	1,587,328,054	212,671,946	
Payments						
Purchase of Services*	66,239,644	-	66,239,644	66,239,644	-	0%
Purchase of Services**	30,774,366	-	30,774,366	30,774,366	-	0%
Acquisition of Non- Financial Asset	2,214,972,356	(1,502,133,000)	712,839,356	591,854,502	120,984,854	17%
Acquisition of Non- Financial Asset	2,170,054,634	(1,479,908,000)	690,146,634	723,459,542	-33,312,908	-5%
Other Grants and Transfers ***	448,413,000	(392,147,000)	300,000,000	329,291,312	-29,291,312	-10%
Total Payments	4,930,454,000	(3,374,188,000)	1,800,000,000	1,741,619,366	58,380,634	

* Relates to Tana Water Works Development Agency

** Relates to Northern Water Works Development Agency

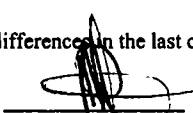
*** This relates to Project counterpart Expenditure

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


 Chief Executive Officer
 Name: Eng. Philip Gichuki

Date

17/08/2021


 Program Coordinator
 Name: Arthur Mamo

Date

17/08/2021


 Program Accountant

Name: CPA Nicholas Kariuki
 ICPAK Member Number: 6863

Date

17/08/2021

10.0 SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.1.1 Statement of Compliance and Basis of Preparation

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

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

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

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

10.1.2 Reporting Entity

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

10.1.3 Reporting Currency

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

10.2 Significant Accounting Policies

a) Recognition of Receipts

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

• 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.

• External Assistance

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Proceeds from borrowing

Borrowing includes Treasury bill, Treasury bonds, Corporate bonds, Sovereign bonds and External loans acquired by the program or any other debt the program may take on will be treated on cash basis and recognized as a receipt during the year they were received.

c) Undrawn external assistance

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

d) Recognition of Payments

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

- **Compensation of Employees**

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

- **Use of Goods and Services**

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

- **Interest on Borrowing**

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

- **Repayment of Borrowing (Principal amount)**

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

- **Acquisition of Fixed Assets**

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

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

e) 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.

f) 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.

g) Accounts Receivable

For the purposes of these financial statements, 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.

h) 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)

i) 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.

j) Third Party Payments

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

During the year KES 1,412,328,054 being loan disbursements was received in form of direct payments from ADB out of which KES 658,094,146 was direct payment for Tana Water Works Development Agency request for payments and KES 754,233,908 direct payment for Northern Water Works Development Agency.

k) Exchange Rate Differences

The accounting records are maintained in Kenya Shillings which is the functional currency of the primary economic environment in which the Program 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)

l) 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.

m) Subsequent Events

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

n) Errors

Material prior period errors shall be corrected retrospectively in the first set of Financial Statements authorized for issue after their discovery by:

- i) Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- ii) If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

10.3 RECEIPTS FROM GOVERNMENT OF KENYA

These represent Counterpart Funding from Government as follows:

	2020/2021	2019/2020	Previous Years	Cumulative to date
	KES	KES	KES	KES
<i>Counterpart Funding through Ministry of Water, Sanitation and Irrigation</i>				
Counterpart funds Quarter 1	175,000,000		31,898,350	206,898,350
Counterpart funds Quarter 2		200,000,000	38,927,835	238,927,835
Counterpart funds Quarter 3	-		29,181,653	29,181,653
Counterpart funds Quarter 4		100,000,000	39,866,046	139,866,046
Total	175,000,000	300,000,000	139,873,884	614,873,884

10.4(a) & (b) LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2021 we received funding from ADB in form of loans negotiated by The National Treasury and Planning Donors 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 2020/2021	FY 2019/2020
		USD	KES	KES	KES	KES
Loans Received from Bilateral Donors						
(a) Africa Development Bank		6,423,114	-	658,094,146	658,094,146	769,128,459
(b) Africa Development Bank		7,295,060	-	754,233,908	754,233,908	623,217,361
Total		13,718,174		1,412,328,054	1,412,328,054	1,392,345,820

(a) Relates to Tana Water Works Development Agency

(b) Relates to Northern Water Works Development Agency

10.5 (a) & (b) PURCHASE OF GOODS AND SERVICES

	FY 2020/2021			FY 2019/2020	Previous Years	Cumulative to-date
	Payments made by TWWDA in Cash	Payments made by ADB	Total Payments			
	KES	KES	KES	KES	KES	KES
(a) Utilities, Supplies and Services	-	66,239,644	66,239,644	13,099,232	123,063,789	202,402,665
(b) Utilities, Supplies and Services	-	30,774,366	30,774,366	-	123,275,600	154,049,966
Total	-	97,014,010	97,014,010	13,099,232	246,339,389	356,452,631

(a) Relates to Tana Water Works Development Agency

(b) Relates to Northern Water Works Development Agency

Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Program
Reports and Financial Statements
For the Financial Year Ended June 30 2021

10.6 (a) & (b) ACQUISITION OF NON-FINANCIAL ASSETS

	FY 2020/2021			FY 2019/2020	Previous Year	Cumulative to-date
	Payments made by TWWDA in Cash	Payments made by ADB	Total Payments			
	KES	KES	KES	KES	KES	KES
(a) Acquisition of Land	31,904,151	-	31,904,151	69,939,317	50,567,353	152,410,821
(a) Payments for Works	-	591,854,502	591,854,502	756,029,227	100,027,889	1,447,911,618
Sub Total	31,904,151	591,854,502	623,758,653	825,968,544	150,595,242	1,600,322,439
(b) Acquisition of Land	154,917,445	-	154,917,445	29,446,384	-	184,363,829
(b) Payments for Works	-	723,459,542	723,459,542	623,217,361	552,023,452	1,898,700,355
Sub Total	154,917,445	723,459,542	878,376,987	652,663,745	552,023,452	2,083,064,184
Total	186,821,596	1,315,314,044	1,502,135,640	1,478,632,289	702,618,694	3,683,386,623

(a) Relates to Tana Water Works Development Agency

(b) Relates to Northern Water Works Development Agency

10.7 OTHER GRANTS AND TRANSFERS AND PAYMENTS

	FY 2020/2021			FY 2019/2020	Previous Year	Cumulative to-date
	Payments made by TWWDA in Cash	Payments made by ADB	Total Payments			
	KES	KES	KES	KES	KES	KES
Project Administrative Costs	4,174,933	-	4,174,933	59,855,642	75,753,581	139,784,156
Land Easement and Wayleaves	138,294,783	-	138,294,783	-	-	138,294,783
Total	142,469,716	-	142,469,716	59,855,642	75,753,581	278,078,939

10.8 CASH AND CASH EQUIVALENT CARRIED FORWARD

	2020/2021	2019/2020
	KES	KES
Bank Account (Note 10.8 A)	20,295	154,311,607
Cash in Hand (Note 10.8 B)	-	-
Cash and Cash Equivalents (Short-Term Deposit) (Note 10.8 C)	-	-
Total	20,295	154,311,607

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

10.8 A Bank Account

Project Bank Account

	2020/2021	2019/2020
	KES	KES
Kenya Commercial Bank- A/C No. 1101-998-733	20,295	154,311,607
Total	20,295	154,311,607

Special Deposit Accounts

The Programme has no Special Deposit Account (SDA)

10.8 B Cash in hand

There was no Cash in hand during the reporting period

10.8 C Cash Equivalents (Short-term Deposit)

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

10.9 OUTSTANDING IMPRESTS AND ADVANCES

No Imprest was outstanding as at 30th June 2021.

11.0 FUND BALANCE BROUGHT FORWARD

	2020/2021	2019/2020
	KES	KES
Bank Account (Note 10.8 A)	20,295	154,311,607
Cash in Hand (Note 10.8 B)	-	-
Cash and Cash Equivalents (Short-Term Deposit)	-	-
Outstanding imprest and Advances	-	-
TOTAL	20,295	154,311,607

12.0 OTHER IMPORTANT DISCLOSURES

12.1 PENDING ACCOUNTS PAYABLE – (See Annex 3A)

Description	Balance b/f FY 2019/2020	Additional for the period	Paid during the year	*Balance c/f FY 2020/2021
	KES	KES		KES
Construction of Civil Works	103,065,092	1,478,946,187	1,315,314,044	266,697,235
Supply of Services- Consultancy	52,573,680	146,551,669	97,014,010	102,111,339
Total	155,638,772	1,625,497,856	1,412,328,054	368,808,574

*Balance c/f 2020/2021

	TWWDA	NWWDA	TOTAL
	KES	KES	KES
Construction of Civil Works	169,547,854	97,149,381	266,697,235
Supply of Services- Consultancy	58,989,755	43,121,584	102,111,339
Total	228,537,609	140,270,965	368,808,574

12.2 PENDING STAFF PAYABLES (See Annex 3B)

Description	Balance b/f FY 2019/2020	Additional for the period	Paid for the year	Balance c/f 2020/2021
	KES	KES	KES	KES
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
Total	-	-	-	-

12.3 OTHER PENDING PAYABLES-ACQUISITION OF LAND PENDING ACCOUNTS PAYABLE (See Annex 3C)

Description	Balance b/f FY 2019/2020	Additional for the period	Paid for the year	Balance c/f 2020/2021
	KES	KES	KES	KES
Acquisition of Land Commitment	142,303,298	170,377,851	186,821,596	133,835,993
Total	142,303,298	170,377,851	186,821,596	133,835,993

Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Program
Reports and Financial Statements
For the Financial Year Ended June 30 2021

12.4 External Assistance

	FY 2020/2021	FY 2019/2020
Description	KES	KES
External assistance received as loans from African Development Bank	1,412,328,054	1,392,345,820
Total	1,412,328,054	1,392,345,820

12.4a External Assistance Relating to Loan and Grants

	FY 2020/2021	FY 2019/2020
Description	KES	KES
External assistance received as loans from African Development Bank	1,412,328,054	1,392,345,820
External assistance received as grants	-	-
Total	1,412,328,054	1,392,345,820

12.4b Undrawn External Assistance

Description	Purpose for which the undrawn external assistance may be used	FY 2020/2021	FY 2019/2020
Description		KES	KES
Undrawn external assistance- loans	Purchase of services and acquisition of Non-Financial Assets	7,295,091,963	8,707,420,017
Undrawn external assistance- grants		-	-
Total		7,295,091,963	8,707,420,017

12.4c Class of External Assistance

	FY 2020/2021	FY 2019/2020
Description	KES	KES
Multilateral Donor -African Development Bank	1,412,328,054	1,392,345,820
Total	1,412,328,054	1,392,345,820

The external assistance was for infrastructure development.

12.4d Purpose and Use of External Assistance

PAYMENTS MADE BY THIRD PARTIES	FY 2020/2021	FY 2019/2020
	KES	KES
Use of Goods and Services	97,014,010	13,099,230
Acquisition of Non -Financial Assets	1,315,314,044	1,379,246,580
Total	1,412,328,054	1,392,345,820

12.4e External Assistance paid by Third Parties on behalf of the Entity by Sources

	FY 2020/2021	FY 2019/2020
Description	KES	KES
Multilateral Donor- African Development Bank	1,412,328,054	1,392,345,820
Total	1,412,328,054	1,392,345,820

11. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'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	Time Frame
1	<p>Understatement of Approved Budget on Transfers from Government Entities The statement of comparative budget and actual amounts reflects a final budget of Kshs. 400,000,000 under other grants and transfers. However, a review of letter Reference No. MWS/FIN/3/62/VOL.XVIII/(71) dated 25 July, 2019 forwarding disbursements from the Ministry of Water and Sanitation revealed an approved allocation of Kshs. 900,000,000 for the Program's development expenditure. Although the Management explained that the additional allocation of Kshs. 500,000,000 under the Program's Account was for construction of small and medium dams to supplement AfDB funded Project at Kanjogu and Thambo areas, which was accounted for under GOK grants for development in the main Agency Account, the approved allocation was not itemized and apportioned between the donor funded Programs and other Agency's development programmes. The final budget figure was therefore, understated in the Program's financial</p>	<p>In the FY 2019/2020 TWWDA was allocated KES 900,000,000 GOK Counterpart funding out of which KES 400,000,000 related to acquisition of land, way leave, crop compensations and administrative cost while KES 500,000,000 related to construction of Small and Medium Sized Dams for water storage to supplement ADB funded Project in the area. It is important to note that this was a condition given by Water Resource Authority before issue of water abstraction permit for Chogoia Water and Sewerage Program. The KES 500,000,000 is being accounted for under GoK grant for development in the main account.</p>	<p>Eng. Philip Gichuki Chief Executive Officer</p>	<p>The contract for construction of Thambo and Kanjogu dams (small and medium size dams) have been awarded and the works are ongoing.</p>	<p>The Program is expected to be completed by FY 2023/2024</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	Time Frame
	statements.				
2	<p>Cash and Cash Equivalents The statement of financial assets as at 30 June, 2020 reflects bank balances of Kshs. 154,311,607. However, the Implementing Agency did not open the Program's bank account for purposes of receiving and accounting for counterpart funds as required under Article I, Section 1.2(I) of the Subsidiary Loan Agreement. The Implementing Agency operates one development Account No. 1101998773 into which all development funds are received and accounted for.</p> <p>A review of the cashbook, bank reconciliation statements and breakdown schedule for the development account No. 1101998773 revealed that the account had a closing balance of Kshs. 916,970,128 as at 30 June, 2020 out of which an amount of Kshs. 154,311,607 was attributed to the Program. However, the completeness and accuracy of the balance of Kshs. 154,311,607 could not be ascertained in the absence of a separate bank account for the Program. The Management has not provided satisfactory explanation for failing to open the Program's bank account to avoid commingling of funds with those intended for other GOK</p>	The Management will liaise with the Parent Ministry on this issue to ensure that in future disbursements of funds are clearly apportioned and pegged to specific Project.	Eng. Philip Gichuki Chief Executive Officer	The fund was utilized to finance counterpart expenditure FY 2020/2021 as reflected in this Financial Statements	

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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	Time Frame
	development Programs being implemented by Tana Water Works Development Agency.				
Other Matters					
1	<p>Pending Bills</p> <p>Note 11.1 and Note 11.3 to the financial statements reflects pending bills amounting to Kshs. 297,942,070 as at 30 June, 2020. However, reasons for non-payment of the pending bills have not been provided. Further, the Program is at risk of incurring additional significant interest costs and penalties with the continued delay in making payments.</p>	<p>The management maintains a vote book system and the allocation of the closing balances of KES 154,311,607 is as follows;</p> <p>1. Land acquisition for Chuka Sewerage Program KES 14,674,584</p> <p>2. Legal Fees for Chuka Sewerage Program KES 614,217</p> <p>4 Legal Fees for Chogoria Sewerage Program KES 512,776</p> <p>5 Land acquisition for Marsabit Sewerage Program 3.Land acquisition for Chogoria Sewerage Program KES 25,997,642</p> <p>KES 111,195,000</p> <p>6 Legal Fees for Marsabit Sewerage Program KES 1,317,388</p> <p>Total 154,311,607</p>	Chief Manager , Finance & Resource Mobilization	The management utilized KES 16,004,509 to acquire land for Chogoria and Chuka Sewerage. The balance of KES 138,307,098 has not been paid since the parcels of land have not been transferred to TWWDA.	
2	<p>Budgetary Control and Performance</p> <p>During the year under review, the Program had an approved total</p>	The shortfall in receipt is as a result of delay in disbursement of the 4th quarter allocation and	Chief Manager , Finance &	The allocation for the 4th quarter was	

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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	Time Frame
	<p>expenditure budget of Kshs. 2,100,000,000 against the actual expenditure of Kshs. 1,551,587,163 translating to 74% budget implementation. Similarly, out of the budgeted receipts of Kshs. 2,100,000,000, the Program received Kshs. 1,692,345,820 or 81%. Management has attributed the shortfall in receipts to delay in disbursement of the 4th quarter allocation and unfinalized payment documents submitted to the parent Ministry for onward transmission to The National Treasury. However, evidence of the measures put in place to avoid any future delays was not provided.</p>	<p>finalized payment documents submitted to the parent ministry for onward transmission to The National Treasury.</p>	<p>Resource Mobilization</p>	<p>received on 8th July 2020.</p>	
Report on Lawfulness and Effectiveness in use of Public Resource					
1	<p>Delay in Program Implementation As previously reported, available information and contract agreements for the works being implemented by both Tana Water Works Development Agency and Northern Water Works Development Agency show that although various contract agreements for the implementation of the Programs were signed in 2018 and early 2019, a status review carried out on 29 October, 2020 on the construction of twelve (12) water and sewerage infrastructure</p>	<p>All Programs under the Kenya Towns Water Supply and Sanitation Program are Tax Exempt. Applications for Approval of the Tax Exemption Masterlists for each Construction Contract were made immediately after Contract Signing and Approved on various dates between April and May, 2020. Subsequently, the Works Contractors</p>	<p>Eng. Philip Gichuki Chief Executive Officer</p>	<p>Tax exemption Master list were approved by The National Treasury and Planning on the following dates; i) Kerugoya Kutus Sewerage Program-</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	Time Frame
	<p>Programs, revealed that the Programs were five (5) to eleven (11) months behind schedule. It was also noted that overall progress was 15% - eighteen months to the end of the five-year contract period. Although the Management attributed the delay in implementation of the Programs to failure to obtain tax exemption and inadequate counterpart funding, no evidence was been provided on measures being taken to forestall the recurrence of a similar situation.</p>	<p>requested for Extension of Time to cover time lost while awaiting approval of the Tax Exemption Masterlist by the National Treasury. The requests were evaluated by the Client and Extensions of Time granted without costs pursuant to Clause 8.4 of the General Conditions of Contract. Litigation Costs for damages caused to Contractors for delays caused by the agency are therefore not anticipated.</p> <p>It is Important to note that additional overhead costs such as Renewal of Contract Insurances and Services to the Engineer will be catered for under the respective Contract Contingencies.</p>		<p>10/3/2020 ii) Kerugoya Kutus Water Supply Program - 29/1/2020 iii) Mandera Sewerage- 2/3/2020 iv) Marsabit Water- 2/3/2020 v) Marsabit Sewerage- 2/3/2020 vi) Chogoria Water Program- 10/3/2020 vii) Othaya Sewerage Program- 5/5/2020 viii) Meru Sewerage- 2/3/2020 Murang'a South- 23/4/2020 ix) Murang'a Urban- 23/4/2020 x) Mandera Water- 17/4/2020 xi) Chogoria Sewerage- 2/3/2020 xii) Chuka</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	Time Frame
				Sewerage-10/3/2020 The overall progress of the programme is at 55.6%.	
2	<p>Acquisition of Land – Advance Payments for Land with Encumbrances The statement of receipts and payments reflects an expenditure of Kshs. 69,939,3117 under acquisition of non-financial assets which includes advance payments totaling Kshs. 14,510,671 for two parcels of land in areas where the Programs are being implemented. Records show that the Management paid an amount of Kshs. 5,138,921, on 15 March, 2020 for land parcel- L.R. No. Karingani/Ndagani/11677 and developments thereon, whose total purchase price was Kshs. 7,363,595. However, the land had a caution registered on it that had not been cleared. Further an advance payment of Kshs. 9,371,750 was paid on 8 April, 2020 for a piece of land – L.R. No. Marsabit/Mountain/55 and developments thereon being part settlement of the purchase price of Kshs. 46,436,750. However, the land was also subject to succession proceedings that had not been concluded. Additional information indicated that Management relied on a</p>	<p>Land No. Karingani /Ndagani/11677 The above parcel of land is one amidst other land within which Ntutuni Sewerage Treatment Plant is being constructed. There was no any other alternative land for the Program hence the land owner was paid a down payment of 40% to remove any encumbrance and the remaining balance is to be cleared once the land is Transferred to TWWDA</p> <p>Land No. Marsabit/ Mountain/55 The property was registered in the name of Yusuf Ote Soke who is deceased. The succession was concluded and the administration of this property agreed that compensation be paid to Soke Ote Soke</p>	Principal Legal Officer	<p>The Caution that had been registered against the Land No. Karingani/ Nadagani/1 1677 was lifted and this has been confirmed via a certificate of official search on 21 Jan 2021</p> <p>Succession on Land No. Marsabit/ Mountain/5 5 has been concluded and the Agency is awaiting subdivision of the land.</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	Time Frame
	<p>report from an advocate indicating appointed administrators of the estate of the deceased instead of a Certificate of Confirmation of Grant (Form P & A 54) as required by Part IV, Section 71(1) of the Law of Succession Act, Cap 160. In the absence of confirmation and determination of the rightful owners of the land, disputes may arise in the future which may lead to loss of public funds.</p>				



Chief Executive Officer
 Name: Eng. Philip Gichuki
17/08/2021

 Date



Program Coordinator
 Name: Arthur Mamo
17/08/2021

 Date

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ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Variance to Final Budget	Comments on Variance
	a	b	c=a-b	d=c/a %	
RECEIPTS DURING THE YEAR/PERIOD	KES	KES	KES		
Government of Kenya	300,000,000	175,000,000	125,000,000	42%	The variance of KES 125 Million is as a result of: (i) Undisbursed 2020/2021 FY allocation of KES for the second, Third and Fourth Quarter amounting to KES 225 Million . (ii) Disbursement of FY 2019/2020 allocation of KES 100 Million during the reporting Period.
External financing	1,500,000,000	1,412,328,054	87,671,946	6%	The variance of KES 87,671,946 relates to Payments submitted by TWWDA to the Ministry of Water, Sanitation and Irrigation for onward transmission to The National Treasury and ADB which were in transit as at 30 th June 2021.
Total Receipts	1,800,000,000	1,587,328,054	212,671,946		
PAYMENTS DURING THE YEAR/PERIOD					
Purchase of Services*	66,239,644	66,239,644	0	0%	
Purchase of Services**	30,774,366	30,774,366	0	0%	
Acquisition of Non-Financial* Assets	1,402,985,990	1,315,314,044	87,671,946	6%	The variance of KES 87,671,946 relates to Payments submitted by TWWDA to the Ministry of Water, Sanitation and Irrigation for onward transmission to The National Treasury and ADB which were in transit as at 30 th June 2021.
Project Counterpart Expenditure	300,000,000	329,291,312	-29,291,312	-10%	The -ve variance of KES 29,291,312 is payment for acquisition of land , way leave and crop compensation paid from the previous year allocation of KES 100,000,000 received on 8 July 2020 and the balance b/d of KES 154,311,607.
Total Payments	1,800,000,000	1,741,619,366	58,380,634		

ANNEX 2 RECONCILIATION OF INTER-ENTITY TRANSFER

Break down of Transfers from State Department of the Ministry of Water, Sanitation and Irrigation				
a	Government Counterpart Funding			
		Bank Statement Date	Amount (KES)	FY to which the amounts relate
		08-Jul-2020	100,000,000	FY 2019/2020
		17-Sep-2020	75,000,000	FY 2020/2021
			175,000,000	
b	Direct Payment			
	Works TWWDA			
	67	26-Nov-2020	17,898,456	FY 2020/2021
	75	23-Nov-2020	33,087,390	FY 2020/2021
	76	24-Nov-2020	5,386,319	FY 2020/2021
	77	03-Feb-2021	3,803,166	FY 2020/2021
	78	10-Dec-2020	834,841	FY 2020/2021
	79	10-Dec-2020	12,435,292	FY 2020/2021
	80	10-Dec-2020	2,729,698	FY 2020/2021
	84	15-Apr-2021	16,881,249	FY 2020/2021
	85	31-Mar-2021	3,705,640	FY 2020/2021
	86	17-Feb-2021	28,978,159	FY 2020/2021
	87	18-Feb-2021	4,717,375	FY 2020/2021
	88	17-Feb-2021	24,457,450	FY 2020/2021
	89	23-Feb-2021	6,114,362	FY 2020/2021
	90	22-Feb-2021	22,891,694	FY 2020/2021
	91	24-Feb-2021	5,722,924	FY 2020/2021
	92	27-Apr-2021	31,603,390	FY 2020/2021
	93	28-Apr-2021	47,405,086	FY 2020/2021
	94	24-Feb-2021	63,436,605	FY 2020/2021
	95	25-Feb-2021	15,859,151	FY 2020/2021
	101	29-Mar-2021	100,500,886	FY 2020/2021
	102	31-Mar-2021	25,125,221	FY 2020/2021
	105	21-Jun-2021	7,837,656	FY 2020/2021
	106	23-Jun-2021	1,720,461	FY 2020/2021
	108	23-Jun-2021	32,101,561	FY 2020/2021
	115	07-Jun-2021	5,095,464	FY 2020/2021
	116	21-Jun-2021	14,230,669	FY 2020/2021

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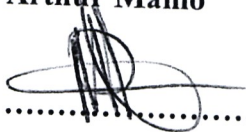
		Bank Statement Date	Amount (KES)	FY to which the amounts relate
	117	23-Jun-2021	3,557,667	FY 2020/2021
	121	04-Jun-2021	42,773,902	FY 2020/2021
	122	07-Jun-2021	10,693,476	FY 2020/2021
	124	23-Jun-2021	269,292	FY 2020/2021
			591,854,502	
	Works NWWDA			
	57	10-Dec-2020	25,811,060	FY 2020/2021
	58	08-Dec-2020	25,811,060	FY 2020/2021
	63	18-Sep-2020	18,971,836	FY 2019/2020
	64	21-Sep-2020	18,971,835	FY 2019/2020
	65	18-Sep-2020	32,560,710	FY 2019/2020
	66	21-Sep-2020	32,560,711	FY 2019/2020
	68	25-Sep-2020	116,904,456	FY 2020/2021
	69	16-Nov-2020		FY 2020/2021
	70	19-Nov-2020	16,633,347	FY 2020/2021
	73	16-Nov-2020	16,633,346	FY 2020/2021
	74	18-Nov-2020	18,386,640	FY 2020/2021
	81	24-Nov-2020	18,386,640	FY 2020/2021
	82	08-Dec-2020	124,838,038	FY 2020/2021
	83	09-Dec-2020	31,357,813	FY 2020/2021
	97	20-May-2021	31,357,813	FY 2020/2021
	111	28-May-2021	17,502,018	FY 2020/2021
	119	25-Jun-2021	67,282,386	FY 2020/2021
	120	02-Jun-2021	54,744,917	FY 2020/2021
			54,744,917	FY 2020/2021
			723,459,542	
	Consultancy TWWDA			
	33	10-May-2021	266,000	FY 2019/2020
	34	07-May-2021	12,074,377	FY 2019/2020
	60	25-Sep-2020	5,211,232	FY 2019/2020
	61	23-Oct-2020	532,000	FY 2019/2020
	62	21-Oct-2020	24,156,751	FY 2019/2020
	103	31-Mar-2021	15,196,171	FY 2020/2021
	104	09-Apr-2021	2,255,000	FY 2020/2021
	100	22-Apr-2021	6,548,114	FY 2020/2021
			66,239,644	

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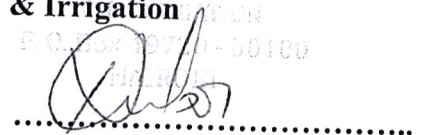
		Bank Statement Date	Amount (KES)	FY to which the amounts relate
	Consultancy NWWDA			
	50	10-Jul-2020	10,706,874	FY 2019/2020
	71	15-Dec-2020	3,981,406	FY 2020/2021
	96	22-Feb-2021	13,450,936	FY 2020/2021
	126	30-Jun-2021	2,635,150	FY 2020/2021
			30,774,366	FY 2020/2021
		Total Direct Payment	1,412,328,054	
		Grand Total (a+b)	1,587,328,054	

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

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



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



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ANNEX 3A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To- Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	KES	
A Construction of civil works- TWWDA						
Nanchang Municipal						
1 Engineering Development Group Company Limited						
Kerugoya Water Supply	74,903,643	3/1/2021	-	74,903,643		
2 Oriental Construction Co Ltd- Murang'a Urban Last Mile	2,603,477	4/12/2021	-	2,603,477		
3 Oriental Construction Co Ltd- Chogoria Water Supply	62,204,118	4/29/2021	-	62,204,118		
4 Murang'a South Last Mile	9,454,761	5/11/2021	-	9,454,761		
Zhonghao Overseas Construction Engineering Co.	20,381,854		-	20,381,854		
Sub-Total	169,547,853		-	169,547,853	-	
B Supply of Goods and Services -TWWDA						
Ecosite Development						
1 Consultant- Meru Sewerage	26,056,160	4/12/2021	5,211,232	20,844,928	5,211,232	
2 Mangat I B Patel	36,655,574		36,655,574	-	36,655,574	
3 Isuzu East Africa Ltd	38,144,827	5/3/2021		38,144,827		
Sub-Total	100,856,561		41,866,806	58,989,755	41,866,806	
C Construction of civil works- NWWDA						
Sirohydro Corporation ltd -						
1 Marsabit Water Supply	76,709,325	2/3/2021	37,943,671	38,765,654	37,943,671	
2 Sirohydro Corporation ltd - Marsabit Sewerage	123,505,149		65,121,421	58,383,728	65,121,421	
Sub-Total	200,214,474		103,065,092	97,149,382	103,065,092	
D Supply of Goods and Services-NWWDA						
Runji Consultancy						
Isuzu East Africa Ltd	15,683,631	9/16/2020	10,706,874	4,976,757	10,706,874	
	38,144,827	5/3/2021		38,144,827		
Sub-Total	53,828,458		10,706,874	43,121,584	10,706,874	
Total	524,447,346		155,638,772	368,808,574	155,638,772	

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ANNEX 3B - ANALYSIS OF PENDING STAFF BILLS									
During the Financial year 2020/2021 there were no pending staff bills									
ANNEX 3C - ANALYSIS OF OTHER PENDING PAYABLES - LAND ACQUISITION									
Name	Brief Transaction Description	Original Amount	Date Contracted	Payable Date	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments	
		a	b	c	d=a-c				
Amounts due to Third Parties		KES		KES		KES	KES		
A Chuka Sewerage Project									
1	Sabastian Nkonge Land acquisition for Chuka Sewerage Projec	4,150,362	03 July, 2020		4,150,362	-			
2	P Mugambi E. Mwiandi - Land L.R. Karingani/Ndagani/6679 Land acquisition for Chuka Sewerage Project	4,230,134	13 March, 2020		4,230,134	-	2,298,080		
3	Murungi MTuruchiu - Land L.R. Karingani/Ndagani/11676 Land acquisition for Chuka Sewerage Project	1,065,777	13 March, 2020		1,065,777	-	600,466		
4	Eliphas Mbae - Land L.R. Karingani/Ndagani/6678 Land acquisition for Chuka Sewerage Project	1,247,777	13 March, 2020		1,247,777	-	600,466		
5	Rose Koje Ndubi- Land L.R. Karingani/Ndagani/4243 Land acquisition for Chuka Sewerage Project	7,243,115	13 March, 2020		7,243,115	-	2,550,128		
6	Selestino Mugambi Muthitha - Land L.R. Karingani/Ndagani/1939 Land acquisition for Chuka Sewerage Project	2,269,460	13 March, 2020		900,932		900,932		
7	Boniface Nyaga Njau - Land L.R. Karingani/Ndagani/11677 Land acquisition for Chuka Sewerage Project	8,296,928	13 March, 2020		3,158,007		3,158,007		
8	Samson Kithinji Muthamia - Land L.R. Karingani/Ndagani/11545 Land acquisition for Chuka Sewerage Project	1,776,348	13 March, 2020		214,982		214,982		
9	Mwai George M Karangi - Land L.R. Karingani/Ndagani/4266 Land acquisition for Chuka Sewerage Project	1,126,801	13 March, 2020		1,126,801	-	1,126,801		
10	Henry Kithinji - Land L.R. Karingani/Ndagani/1938 Land acquisition for Chuka Sewerage Project	12,024,685	27 May, 2020		11,701,200	323,485	323,485	60% value of Land	
11	Jediline Muthoni - Land L.R. Karingani/Ndagani/1938 Land acquisition for Chuka Sewerage Project	420,710	27 May, 2020		192,253	228,457	228,457	60% value of Land	

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Name	Brief Transaction Description	Original Amount	Date Contracted	Payable Amount	Date Paid To-	Outstanding Balance 2021	Outstanding Balance 2020	Comments
12 Eliphira Kanyua - Land L.R. Karngani/Ndagani/1938	Land acquisition for Chuka Sewerage Projec	331,710	27 May, 2020	151,583		180,127	180,127	60% value of Land
13 Janet Mywende - Land L.R. Karngani/Ndagani/1938	Land acquisition for Chuka Sewerage Projec	331,710	27 May, 2020	151,583		180,127	180,127	60% value of Land
14 Purity Murugi - Land L.R. Karngani/Ndagani/1938	Land acquisition for Chuka Sewerage Projec	331,710	27 May, 2020	151,583		180,127	180,127	60% value of Land
15 Julius Mhabu Findenzi- Land L.R. Karngani/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
16 Mary Njeri - Land L.R. Karngani/Ndagani/1938	Land acquisition for Chuka Sewerage Projec	200,005	27 May, 2020	91,397		108,608	108,608	60% value of Land
17 Doras Njeri Kiambo Land L.R. Karngani/Ndagani/4267	Land acquisition for Chuka Sewerage Projec	319,837	16 June, 2020	197,698		122,139	122,139	60% value of Land
18 Mary Muthoni Njagi Land L.R. Karngani/Ndagani/4267	Land acquisition for Chuka Sewerage Projec	319,837	16 June, 2020	197,698		122,139	122,139	60% value of Land
19 Abisalom Mugambi Land L.R. Karngani/Ndagani/4267	Land acquisition for Chuka Sewerage Projec	859,837	16 June, 2020	531,482		328,355	328,355	60% value of Land
20 Simon Munene Land L.R. Karngani/Ndagani/4267	Land acquisition for Chuka Sewerage Projec	1,204,839	16 June, 2020	744,734		460,105	460,105	60% value of Land
21 Javanson Kamotho Land L.R. Karngani/Ndagani/4267	Land acquisition for Chuka Sewerage Projec	714,228	16 June, 2020	441,478		272,750	272,750	60% value of Land
22 Paul Muchini Kiambo Land L.R. Karngani/Ndagani/4267	Land acquisition for Chuka Sewerage Projec	852,114	16 June, 2020	526,708		325,406	325,406	60% value of Land
Sub Total		53,097,774		41,804,211		1,593,828	14,674,584	

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B	Chogoria Sewerage Infrastructure							
1 Stephen Kiraithe - Land LR. WIMBI/KIRARO/151	Land acquisition for Chogoria Sewerage Project	4,001,013	17 March, 2020		2,016,380	-	2,016,380	
2 Nkonge Kitharia - Land LR. WIMBI/KIRARO/670	Land acquisition for Chogoria Sewerage Project	1,584,784	17 March, 2020		547,091	-	547,091	
Ashford Miti Mjuriianki - 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
3 Esther Niagana Mutua - Land LR. MWIMBI /KIRARO/556	Land acquisition for Chogoria Sewerage Project	2,913,738	31 March, 2020		1,312,495	1,601,243	1,601,243	60% value of Land
4 Maingi Chambari - Land LR. WIMBI/KIRARO 657	Land acquisition for Chogoria Sewerage Project	2,235,717	07 April, 2020		1,168,222	1,067,495	1,067,495	60% value of Land
Japhet Mwambia Mukinda - Land LR. WIMBI/KIRARO/732	Land acquisition for Chogoria Sewerage Project	2,446,343	07 April, 2020		978,537	1,467,806	1,467,806	60% value of Land
5 Julian Riungu - Land LR. WIMBI/KIRARO/599	Land acquisition for Chogoria Sewerage Project	4,892,687	07 April, 2020		1,957,075	2,935,612	2,935,612	60% value of Land
6 Beatrice Nkuene - Land LR. WIMBI/KIRARO/655	Land acquisition for Chogoria Sewerage Project	1,334,369	07 April, 2020		533,748	800,621	800,621	60% value of Land
Wilfred Kathanya - Land LR. WIMBI/KIRARO/656	Land acquisition for Chogoria Sewerage Project	1,556,764	07 April, 2020		622,706	934,058	934,058	60% value of Land
7 Beatrice Kaari- Land LR. MWIMBI/MAGUTUNI/158	Land acquisition for Chogoria Sewerage Project	2,890,466	09 June, 2020		2,890,466	-	360,280	
8 Jackchin Kithuci Lr MWIMBI/MURUGI/2320	Land acquisition for Chogoria Water Supply Project	3,040,000	09 June, 2020		1,315,000	1,725,000	1,725,000	60% value of Land
Hellen Kaburi Kairanya -L.R No Mwimbi/KIRARO/147	Land acquisition for Chogoria Sewerage Project	1,000,000	14 September, 2020		400,000	600,000		60% value of Land
9 Wilfred Micheni Kiaranya -L.R No 147	Land acquisition for Chogoria Sewerage Project	1,643,859	14 September, 2020		1,344,394	299,465		60% value of Land
10 Nicholas Riungu Kairanya -L.R No Mwimbi/KIRARO/147	Land acquisition for Chogoria Sewerage Project	3,217,009	14 September, 2020		2,917,544	299,465		60% value of Land

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11 Japhet Karuki Kairanya -L.R No Mwimbi/KIRARO/147	Land acquisition for Chogoria Sewerage Project	3,851,673	14 September, 2020		3,552,208	299,465		60% value of Land
12 James Kairanya -L.R No Mwimbi/KIRARO/147	Land acquisition for Chogoria Sewerage Project	899,465	14 September, 2020		-	899,465		60% value of Land
13 Caroline Wanja Nkonge -L.R No Mwimbi/KIRARO/276	Land acquisition for Chogoria Sewerage Project	30,000	14 September, 2020		-	30,000		60% value of Land
14 Wilson Mutebei Nkira -L.R No Mwimbi/KIRARO/652	Land acquisition for Chogoria Sewerage Project	344,267	14 September, 2020		-	344,267		60% value of Land
15 Frank Kirugara S Kathimba - L.R No Mwimbi/KIRARO/273	Land acquisition for Chogoria Sewerage Project	2,523,478	14 September, 2020		1,638,791	884,687		60% value of Land
16 Timothy Mugendi Kathanya - L.R No Mwimbi/KIRARO/744	Land acquisition for Chogoria Sewerage Project	808,283	14 September, 2020		529,353	278,930		60% value of Land
17 Andeline Nkuruni Rucha - L.R No Mwimbi/KIRARO/555	Land acquisition for Chogoria Sewerage Project	3,513,699	14 September, 2020		1,912,455	1,601,244		60% value of Land
18 Ndumbai Mwanganga - L.R No Mwimbi/KIRARO/555	Land acquisition for Chogoria Sewerage Project	5,297,079	14 September, 2020		3,695,835	1,601,244		60% value of Land
19 Calumen Kangai Kathanya - L.R No Mwimbi/KIRARO/744	Land acquisition for Chogoria Sewerage Project	200,000	14 September, 2020		80,000	120,000		60% value of Land
20 Kimathi Kathanya - L.R No Mwimbi/KIRARO/744	Land acquisition for Chogoria Sewerage Project	1,080,383	14 September, 2020		801,453	278,930		60% value of Land
Sub Total		52,464,655			30,839,585	18,602,744	13,989,333	
C								
Marsabit Sewerage Infrastructure								
1 Saleh Salim M Addulla- Land L.R. Marsabit/Mountain/538	Land acquisition for Marsabit Sewerage Project	46,362,750	13 March, 2020		9,297,750	37,065,000		80% value of Land
2 Hassan Salim Mohamed- Land L.R. Marsabit/Mountain/56	Land acquisition for Marsabit Sewerage Project	46,362,750	13 March, 2020		9,297,750	37,065,000		80% value of Land
3 Yusuf Ote Soke- Land L.R. Marsabit/Mountain/55	Land acquisition for Marsabit Sewerage Project	46,436,750	08 April, 2020		9,371,750	37,065,000		80% value of Land
Sub Total		139,162,250			27,967,250	111,195,000	111,195,000	
D								
Mandera Water Supply Project								
1 Halima Mohamed Sheikh	Land acquisition for Mandera Water Supply Project	1,856,000	02 June, 2021		1,856,000	-		
2 Fatuma Mayow	Land acquisition for Mandera Water Supply Project	270,760	20 April, 2021		270,760	-		
3 Adow Mohammed	Land acquisition for Mandera Water Supply Project	1,078,440	17 August, 2020		1,078,440	-		

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Name	Brief Transaction Description	Original Amount	Date Contracted	Payable	Amount Paid To- Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
4 Isaak Mohamed-Farm 43	Land acquisition for Mandera Water Supply Project	8,092,400.00	17 August, 2020	17 August, 2020	8,092,400.00	-	-	
5 Isaak Gabow Hassan	Land acquisition for Mandera Water Supply Project	301,800.00	17 August, 2020	17 August, 2020	301,800.00	-	-	
6 Ali Mayow Abdow	Land acquisition for Mandera Water Supply Project	15,488,000.00	17 August, 2020	17 August, 2020	15,488,000.00	-	-	
7 Ibrahim Maalim	Land acquisition for Mandera Water Supply Project	231,000.00	17 August, 2020	17 August, 2020	231,000.00	-	-	
8 Adow Mohammed	Land acquisition for Mandera Water Supply Project	5,392,200.00	17 August, 2020	17 August, 2020	5,392,200.00	-	-	
9 Omar Hajj Jama	Land acquisition for Mandera Water Supply Project	2,615,000.00	17 August, 2020	17 August, 2020	2,615,000.00	-	-	
10 Shukri Hassan	Land acquisition for Mandera Water Supply Project	274,200.00	17 August, 2020	17 August, 2020	274,200.00	-	-	
11 Mohammed Farah	Land acquisition for Mandera Water Supply Project	4,105,000.00	17 August, 2020	17 August, 2020	4,105,000.00	-	-	
12 Abdimasir Ali	Land acquisition for Mandera Water Supply Project	276,000.00	17 August, 2020	17 August, 2020	276,000.00	-	-	
13 Adan Alaso Noor	Land acquisition for Mandera Water Supply Project	289,200.00	17 August, 2020	17 August, 2020	289,200.00	-	-	
14 Nuria Adam	Land acquisition for Mandera Water Supply Project	5,335,200.00	17 August, 2020	17 August, 2020	5,335,200.00	-	-	
15 Adan Ahmed	Land acquisition for Mandera Water Supply Project	870,500.00	17 August, 2020	17 August, 2020	870,500.00	-	-	
16 Abdullahi Ali Yusuf	Land acquisition for Mandera Water Supply Project	248,400.00	17 August, 2020	17 August, 2020	248,400.00	-	-	
17 Mohammed Abdullahi	Land acquisition for Mandera Water Supply Project	271,800.00	17 August, 2020	17 August, 2020	271,800.00	-	-	
18 Mohammed Abdullahi Bule	Land acquisition for Mandera Water Supply Project	750,600.00	17 August, 2020	17 August, 2020	750,600.00	-	-	
19 Halima Alice Mohamed	Land acquisition for Mandera Water Supply Project	2,981,750.00	17 August, 2020	17 August, 2020	2,981,750.00	-	-	
20 Adan Aden Ibrahim	Land acquisition for Mandera Water Supply Project	390,000.00	17 August, 2020	17 August, 2020	390,000.00	-	-	
21 Fatuma Abdullahi	Land acquisition for Mandera Water Supply Project	152,400.00	17 August, 2020	17 August, 2020	152,400.00	-	-	
28 Isaac Alice Hussein	Land acquisition for Mandera Water Supply Project	319,200.00	17 August, 2020	17 August, 2020	319,200.00	-	-	
29 Zamzam Mohamed	Land acquisition for Mandera Water Supply Project	150,000.00	17 August, 2020	17 August, 2020	150,000.00	-	-	
30 Mohamed Abdillahi	Land acquisition for Mandera Water Supply Project	247,200.00	17 August, 2020	17 August, 2020	247,200.00	-	-	

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31	Elিন্নu Bora Ltd	Land acquisition for Mandera Water Supply Project	1,579,200.00	27 August, 2020		1,579,200.00	-	-	
32	Fatuma Ali Bulle	Land acquisition for Mandera Water Supply Project	439,260.00	09 October, 2020		439,260.00	-	-	
33	Ahmed Muktar Abdi	Land acquisition for Mandera Water Supply Project	7,226,000.00	09 October, 2020		7,226,000.00	-	-	
34	Isaak Mohamed Hassan	Land acquisition for Mandera Water Supply Project	4,567,000.00	09 October, 2020		4,567,000.00	-	-	
35	Daud Hassan Mohamed	Land acquisition for Mandera Water Supply Project	274,800.00	09 October, 2020		274,800.00	-	-	
36	Nurta Hassan Mohamed	Land acquisition for Mandera Water Supply Project	285,600.00	09 October, 2020		285,600.00	-	-	
37	Sahara Ali Adan	Land acquisition for Mandera Water Supply Project	138,600.00	09 October, 2020		138,600.00	-	-	
38	Samira Mohamed Abdullahi	Land acquisition for Mandera Water Supply Project	276,000.00	09 October, 2020		276,000.00	-	-	
39	Daudi Hassan Mohamed	Land acquisition for Mandera Water Supply Project	292,800.00	09 October, 2020		292,800.00	-	-	
40	Maymuna Ibrahim Alike	Land acquisition for Mandera Water Supply Project	266,400.00	09 October, 2020		266,400.00	-	-	
41	Gamara Abdullahi	Land acquisition for Mandera Water Supply Project	124,200.00	09 October, 2020		124,200.00	-	-	
42	Ibrahim Adan Osman	Land acquisition for Mandera Water Supply Project	2,325,203.00	09 October, 2020		2,325,203.00	-	-	
43	Wardera Adana Osman	Land acquisition for Mandera Water Supply Project	2,301,263.00	09 October, 2020		2,301,263.00	-	-	
44	Mohamed Osman Rino	Land acquisition for Mandera Water Supply Project	2,199,853.00	09 October, 2020		2,199,853.00	-	-	
45	Ahmed Muktar Abdi	Land acquisition for Mandera Water Supply Project	10,670,000.00	09 October, 2020		10,670,000.00	-	-	
47	Fatuma Mayow Abdow	Land acquisition for Mandera Water Supply Project	338,450.00	30 November, 2020		338,450.00	-	-	
48	Nurta Yusuf Sheikh Omar	Land acquisition for Mandera Water Supply Project	1,644,035.00	30 November, 2020		1,644,035.00	-	-	
49	Fatuma Abdullahi Mohamed	Land acquisition for Mandera Water Supply Project	310,600.00	30 November, 2020		310,600.00	-	-	
50	Ali Osman Adan	Land acquisition for Mandera Water Supply Project	4,354,750.00	30 November, 2020		4,354,750.00	-	-	
51	Ali Osman Adan	Land acquisition for Mandera Water Supply Project	1,880,000.00	15 December, 2020		1,880,000.00	-	-	
52	Abdille Sheikh Ahmed	Land acquisition for Mandera Water Supply Project	454,860.00	05 January, 2021		454,860.00	-	-	

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p Hussein Elim Omar	Land acquisition for Mandera Water Supply Project	555,940.00	05 January, 2021		555,940.00	-	-	
54 Halima Mohamed Sheikh	Land acquisition for Mandera Water Supply Project	1,856,000.00	02 June, 2021		1,856,000.00	-	-	
55 Isaac Mohammed	Land acquisition for Mandera Water Supply Project	913,400	09 October, 2020		913,400	-	-	
56 Ahmed Muktar Abdi	Land acquisition for Mandera Water Supply Project	2,134,000	09 October, 2020		2,134,000	-	-	
57 Ali Osman Adan	Land acquisition for Mandera Water Supply Project	3,483,800	26 June, 2021		3,483,800	-	-	
58 Ahmed Muktar Abdi	Land acquisition for Mandera Water Supply Project	1,445,200	09 October, 2020		1,445,200	-	-	
Sub Total		104,324,264			104,324,264	-	-	
E Mandera Sewerage Project								
1 Halima Mohammed - Ranch 22x	Land acquisition for Mandera Sewerage Project	28,009,100	14 September, 2020		28,009,100	-	-	
2 Habiba Ahmed Kario - Ranch 3	Land acquisition for Mandera Sewerage Project	4,694,000	14 September, 2020		4,694,000	-	-	
4 Ahmed Afim Ali - Plot No 28	Land acquisition for Mandera Sewerage Project	139,800	15 September, 2020		139,800	-	-	
5 Habiba Mohammed Musa - Plot 51	Land acquisition for Mandera Sewerage Project	293,400	14 September, 2020		293,400	-	-	
6 Habiba Mohammed - Plot 47	Land acquisition for Mandera Sewerage Project	130,200	14 September, 2020		130,200	-	-	
7 Fatuma Abdulahhi -	Land acquisition for Mandera Sewerage Project	124,200	14 September, 2020		124,200	-	-	
8 Abdulmajid Khalif Mohamed - Plot C3	Land acquisition for Mandera Sewerage Project	4,122,000	15 September, 2020		4,122,000	-	-	
9 Abdulmajid Khalif Mohamed - Plot c1	Land acquisition for Mandera Sewerage Project	7,262,000	15 September, 2020		7,262,000	-	-	
10 Halima Ibrahim Adan - Farm 5	Land acquisition for Mandera Sewerage Project	3,217,723	15 September, 2020		3,217,723	-	-	
11 Omar Abdulahi Sheikh - Farm 9	Land acquisition for Mandera Sewerage Project	1,703,370	15 September, 2020		1,703,370	-	-	
12 Mohamed Kahinya Osman - Farm No 1	Land acquisition for Mandera Sewerage Project	4,902,783	15 September, 2020		4,902,783	-	-	
13 Dahir Hirow Maalim - Ranch No 15	Land acquisition for Mandera Sewerage Project	1,281,750	15 September, 2020		1,281,750	-	-	
14 Abdikadir Salat Issack - Plot No 6	Land acquisition for Mandera Sewerage Project	621,900	15 September, 2020		621,900	-	-	
15 Ibrahim Adan Nur - Plot No 12X	Land acquisition for Mandera Sewerage Project	1,501,750	15 September, 2020		1,501,750	-	-	
Sub Total		58,003,976			58,003,976	-	-	
Total		349,048,943			262,939,286	131,391,572	139,858,917	

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Others								
D								
Legal Fees								
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
Sub-Total Legal Fees			5,291,424		2,847,043	2,444,381.00	2,444,381	
Grand Total for Land Acquisition and Legal Fees as at 30/6/2021			354,340,367		265,786,329	133,835,953	142,303,298	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost	Purchases/Additions in the Year	Disposals in the Year	Transfers in/(out)	Closing Cost
	2019/2020 (KES) (a)	2020/2021 (KES) (b)	2020/2021 (KES) (c)	2020/2021 KES (d)	2020/2021 (KES) (e)= (a)+ (b)-(c)+(-)d
Land	149,953,054	186,821,596	-	-	336,774,650
Total	149,953,054	186,821,596	-	-	336,774,650

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APPENDICES

S/ No.	Particulars	Remarks
1	Signed confirmations from beneficiaries in Transfers to Other Government Entities	N/A
2	Bank Reconciliations as at 30 th June 2021	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