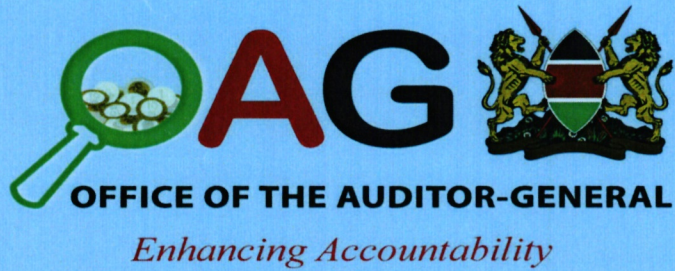


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REPORT

OF

THE AUDITOR-GENERAL

ON

**WAJIR WATER AND SEWERAGE COMPANY
LIMITED**

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

WAJIR WATER & SEWERAGE CO. LIMITED
ANNUAL REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021



International Financial Reporting Standards (IFRS)



WAJIR WATER AND SEWERAGE COMPANY LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2021

Prepared in accordance with the Accrual Basis of Accounting Method under the
International Financial Reporting Standards (IFRS)

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1.KEY ENTITY INFORMATION

Background information

Wajir Water & Sewerage Co. Ltd, (WAJWASCO) was incorporated in 2013 under the companies Act 2002 (cap.486). The company is currently regulated by WASREB, through a Service Provision Agreement (SPA) in 30/09/2014 to provide water supply and sewerage services within Wajir Town and its environs. The County Government of Wajir has appointed WAJWASCO as a Water Services Provider (WSP) for the whole of Wajir County.

Vision

Water for all and Dignified Sanitation.

Mission Statement

To be the best provider of sustainable quality water and sanitation services for Wajir County.

Principal Activities

The principal activity of WAJWASCO is to fulfil the mandate of providing quality affordable water and sanitation services to the residents of Wajir County. In discharging this mandate, the company is striving to fulfil the following objectives:

- a) To provide water supply and sewerage services in urban and market growth areas.
- b) To enhance good governances and performance of rural water supply facilities.
- c) To increase access to good quality water and sewerage /safe sanitation.
- d) To promote hygiene and safe sanitation (in partnership with other partners and players).
- e) Reduction of non-revenue water and unnecessary wastages.

Further WAJWASCO is tasked with projecting the present water demand for Wajir Town and its environs. This allows the Company to determine whether the available supply can meet the demand and consequently distributed water on a rationing basis to ensure everyone receives the precious commodity.

1.LIST OF BOARD OF DIRECTORS SERVING THE COMPANY

The Directors who served the entity during the financial year ending 30th June 2021 were as follows:

- | | |
|---------------------------------|------------------------------|
| 1. Mr. Muhumed Mohamud Said | - Chairman |
| 2. Mohamed Sokor | - Member CCO Finance |
| 3. Mr. Abdirahman Yare Haj | -Member |
| 4. Mr. Abubakar Ali Adow | -Member |
| 5. Mr. Amina Bille | -Chairlady |
| 6. Mr. Dahaba Hussein Maday | -Member |
| 7. Noor Mohamed Bardad | -Member |
| 8. Mrs. Nasteha Mohamed Abdille | -Member |
| 9. Ahmed Guhad Omar | -Member CCO Water Department |

Wajwasco Office Address

P.O. BOX 708 - 70200 Wajir, Kenya

Email: info@wajirwater.co.ke

Corporate Headquarters

Wajwasco Office Address, P.O. BOX 708 - 70200 Wajir, Kenya

Corporate Contacts

Telephone: (254) 719 830 299,

E-mail: info@wajirwater.co.ke,

Website: <https://www.wajirwater.co.ke>,

Corporate Bankers,

- | | |
|-------------------------------|--------------|
| 1. Equity Bank Kenya | Wajir Kenya. |
| 2. National Amanah Kenya | Wajir Kenya. |
| 3. First Community Bank Kenya | Wajir Kenya. |

Independent Auditors

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

Principal Legal Advisers

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

II. THE BOARD OF DIRECTORS

Directors	Date Appointed	Details
Mr. Muhumed Mohamud Said	25 th February 2019.	Muhumed holds a Primary Teachers' Certificate (P2 Teacher). Starting off as a Teacher at Buna Primary School, Muhumed steadily rose through the ranks to be Headmaster at Buna Primary School, Headmaster at Wajir Primary School, Assistant Adult Education Officer, Education Officer III, Education Officer II, Education Officer I and District Adult Education Officer and Social Services. He has held other key positions in several organizations including Chairman of the Kenya National Union of Teachers (KNUT) Wajir, Chairman of Red Cross Society of Wajir, Member of the Board of Governors of Wajir High School and the Founder of Bare Teachers Cooperative in Wajir. Muhumed is adept at settling community disputes and providing the necessary guidance in maintaining peaceful coexistence.
Mr. Abdirahman Yare Haji	25 th February 2019.	Abdirahman holds a Bachelor of Business Administration Degree, a Diploma in Business Management, and a Diploma in Islamic Law. He has attended a Governance Course, Board, and Senior Servants Administration Course; a three-day Strategic Planning Workshop; a Commonwealth Business Conference; and, a three-day Effective Director Program. Abdirahman is Chairman of the Parents and Teachers Association of Wajir and sits on the Board of Governors of Wajir High School.
Mr. Abubakar Ali Adow	25 th February	Abubakar holds a Bachelor of Art Degree in Counselling. He prides himself as a diligent, intuitive and progressive individual. From 2013 to 2017, he was the Manager of the Eldas Constituency Office while as also serving as the Accounting Officer. During his stint, Abubakar gained extensive experience in managing constituency programs and

	2019.	enjoyed participating in community development initiatives and networking with professionals on constructive projects.
Mrs. Amina Bille	25 th February 2019.	Amina holds a Diploma in Professional Computing and Data Processing. She has worked as a Cashier and Store Keeper at the Madina Nursing Home in Nairobi, served as a Food Monitor at Oxfam GB in Wajir and a Bank Clerk and Acting Cash Manager at the Kenya Commercial Bank – Wajir Branch. Over a 20-year period, Amina has attended myriad professional courses at Kenya Commercial Bank (KCB) Leadership Centre, in Karen. These include: KCB Mentorship Programme; Fundamentals of Banking; e-Learning in Retail and Mortgage Product Knowledge; e-Learning in IT Security and Awareness; KCB Ethics; Foundation in Banking; Personal Effectiveness; e-Learning in Anti-Money Laundering & KYC; and, Foundations in Achieving Stellar Services. Amina has a great passion for corporate social responsibility being a life member of the Kenya Red Cross and having being awarded the KCB Community Champion for five years consecutive-1
Mrs. Dahaba Hussein Maday	25 th February 2019.	Dahaba holds a Certificate in Business Administration. She has attained several certifications in Group Switching Centre Operations; Training of Trainers; Introductions to Micro Computers and Operating Systems; and Supervisory Skills Development Course and Telecoms Service. She runs her own business, worked at the Electoral Commission of Kenya and Telecom Kenya as a Telephonist, Exchange Supervisor and Exchange Superintendent. Dahaba is an entrepreneur who espouses integrity and professionalism.
Ali Bashane Gaal	8 th June 2022	Ali holds a Bachelor of Art Degree in Commerce and certified public accountant of Kenya (CPA-K). He prides himself as a diligent, intuitive and progressive individual. He rose from deputy finance manager, finance manager and acting managing director for Wajwasco.

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ANNUAL REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Mrs. Nasteha Mohamed Abdille	25 th February 2019.	Mrs. Nasteha holds a Masters of Arts in Counselling Psychology; a Bachelor of Education and Counselling; and, a Primary Teachers' Certificate (P1 Teacher). She started off at Boys Town Primary School, Garissa County for a period of over 15 years. Thereafter, she joined her current commission at Don-holm Primary School, Nairobi as an English, Mathematics and Science Teacher. Over the years, Mrs. Nasteha has attended a number of short courses and attained several certifications. These certifications include: Interactive Child Centred Methodology, Action Research and Disaster Risk Reduction on a cooperation programme between the Ministry of Education GoK and UNICEF; Leadership and Integrity from the NDI Leadership and Campaign Academy; School-based Teacher Development Course in Principles of Good Primary Practice under the Ministry of Education; Guidance and Counselling for Primary Schools Teacher Counsellors through the Ministry of Education; and, Training on Improved Quality and Management through a cooperation programme between the Ministry of Education GoK and UNICEF. Mrs. Nasteha is a result-driven and committed professional with enviable teaching and educational counselling experience spanning over 17 years in North Eastern and Nairobi
---------------------------------------	---	--

III.MANAGEMENT TEAM

Ref	Management	Details
1.	Ali Bashane Gaal	Managing Director
2.	Ahmed Mohamed Abdi	Deputy Managing Director
3.	Ahmed Omar Abdille	Technical Services Manager
4.	Ahmed Abdille Abdi	Procurement Manager
5.	Halima Abdullahi Mohamed	Director Administration

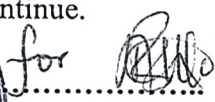
VI. CHAIRMAN'S STATEMENT

We wish to acknowledge the good working relationship we have enjoyed from the County Government of Wajir, World Bank, Water Services Regulatory Board, Water Trust Fund, and other Development partners. We would also like to thank our consumers both institutional and individuals' households who have been very co-operative in payment of bills for the water services provided. We are faced with various challenges like the covid 19 pandemic, inadequate water supply; vandalism of galvanized iron water pipes, and water meters; breakdowns of control panels and pump sets due to unstable electricity supply; among others. The cost of operation is also high due to high electricity costs coupled with the rising cost of fuel, pipes and fittings. Due to the deep borehole depths and very low yields from most of our boreholes, the cost of production is higher than the resale price of water.

During the covid-19 pandemic the company was among the highly affected institution since the consumers could not pay their water bill as from march 2020 to date. The cost of borehole fittings have also gone up hence increase operation and maintenance. The pandemic has affected the sales margin of the company since the major consumers i.e., institution have been completely shut down hence low demand of our services.

To counter the challenges the company with support from World Bank, through Wajir county Government and Water Trust Fund Board has embarked on the development of reliable water supply systems. These are projected to be completed in 2019/2022 financial years and will inject an additional daily water production of 3,000 cubic meters. The company has also designed water and sewerage infrastructure renewal and development plans and is sourcing financial support for their implementation. In addition, the company has several strategy investments such as setting up bottled water and desalination plant that will be sold to local community at cheap price.

Finally, I take this opportunity to thank our members of staff and urge them to continue serving the company with integrity, dedication and diligence. I also wish to thank my fellow directors for their support without which these achievements could not have been realized. It is my hope and prayer that the same corporation will continue.

..... for 
Chairman Board of Directors, Wajir Water & Sewerage Company Limited



WAJIR WATER & SEWERAGE CO. LIMITED
ANNUAL REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

V.REPORT OF THE MANAGING DIRECTOR

I wish to acknowledge the good work and the helping hands we have enjoyed from the County Government of Wajir, Water Sector Trust Fund, World Bank and other development partners. We would also like to thank our valuable consumers both institutional and individuals' households who have been very co-operative in payment of bills for the water services provided. The population for the county is estimated at 781, 263 in 2020 according to the Kenya 2019 Population and Housing Census and According to the Kenya National Bureau of Statistics (KNBS) 2019 animal census, there are about 1.2 million camels, 0.9 million cattle, 2.1 million sheep, 3.1 million goats, 0.5 donkeys and 0.8 chicken. Our sources of water are 13 Boreholes. The total water production per day is approximately 12,500m³ from the boreholes against a demand of 28,000 m³ per day. WAJWASCO is governed by a board of Directors appointed by The County Government of Wajir. The board oversees the operations of the company, spearheaded by a managing director. The company has five key departments with well trained and experienced staff in the various sections of the company. The company continually evaluates human resource needs and any identified gaps are filled through competitive process.

Challenges

Unaccounted water losses due to aged water supply network, we have adopted a policy of ensuring that all customers will be metered soonest possible and aged systems are rehabilitated systematically. We have partially completed overhaul of the current distribution system within Wajir town as a remedy. Inadequate water supply to meet the current demand and Lack of funds to implement various proposed projects also remains major challenges. Interruption of water supply due to breakdown of boreholes (motors and pumps). Loss of main customers due to Covid-19 Pandemic Also. Water supply networks in several areas have infrastructure problems as a result of small diameter pipes, which have been restricting water flow. High operational costs is another challenge since the water supply systems comprise of pumping facilities making sustainability of the company a big challenge. Finally, I take this opportunity to thank our members of staff and urge them to continue serving the company with integrity, dedication and diligence. Thanks all.

Sign.....

Managing Director, Wajir Water & Sewerage Company Ltd



VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021

Section 81 Sub-section 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The WAJWASCO achieved its performance targets set for the FY 2020/2021 period for its strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/ Issues	Objective	Key Performance Indicators	Activities	Achievements
Adequate provision of water as per vision 2030 goals	To provide water supply and sewerage services in urban and market growth areas.	No. of rehabilitation works done on the existing water networks	7 No. water supply systems planned for rehabilitation	2No. water supply systems rehabilitated 250 additional customers have accessed piped water
Capacity Building of the BoD of Corporate governance	To enhance good governances and performance of rural water supply facilities	No. of Corporate governance done for the BoD,	No. Workshop Corporate governance done for the BoD, No. Workshop on NRW reduction done for the BoD,	1 No. Workshop Corporate governance done for the BoD, 1 No. Workshop on NRW reduction done for the BoD,
Water Treatment to reduce Kidney Failure for Wajir Residence	To increase access to good quality water and sewerage /safe sanitation	No. of desalination Plant successfully operational	1 No. of desalination Plant successfully operational	1 No. of desalination Plant successfully installed and operationalized

WAJIR WATER & SEWERAGE CO. LIMITED
ANNUAL REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Provide Dignified Sanitation services	To promote hygiene and safe sanitation (in partnership with other partners and players)	No. Sanitary Lane Improved for the collection Solid Waste & Sludge	7 No. Location were planned for Sanitary Lane Improvement for the collection Solid Waste & Sludge	7 No. Location were planned for Sanitary Lane Improvement for the collection Solid Waste & Sludge
Minimizing NRW and enhanced Profit Maximization	Reduction of non-revenue water and unnecessary wastages	No. of Corporate governance done for the BoD,	No. Workshop Corporate governance done for the BoD, No. Workshop on NRW reduction done for the BoD,	1 No. Workshop Corporate governance done for the BoD, 1 No. Workshop on NRW reduction done for the BoD,

VII.MANAGEMENT DISCUSSION AND ANALYSIS

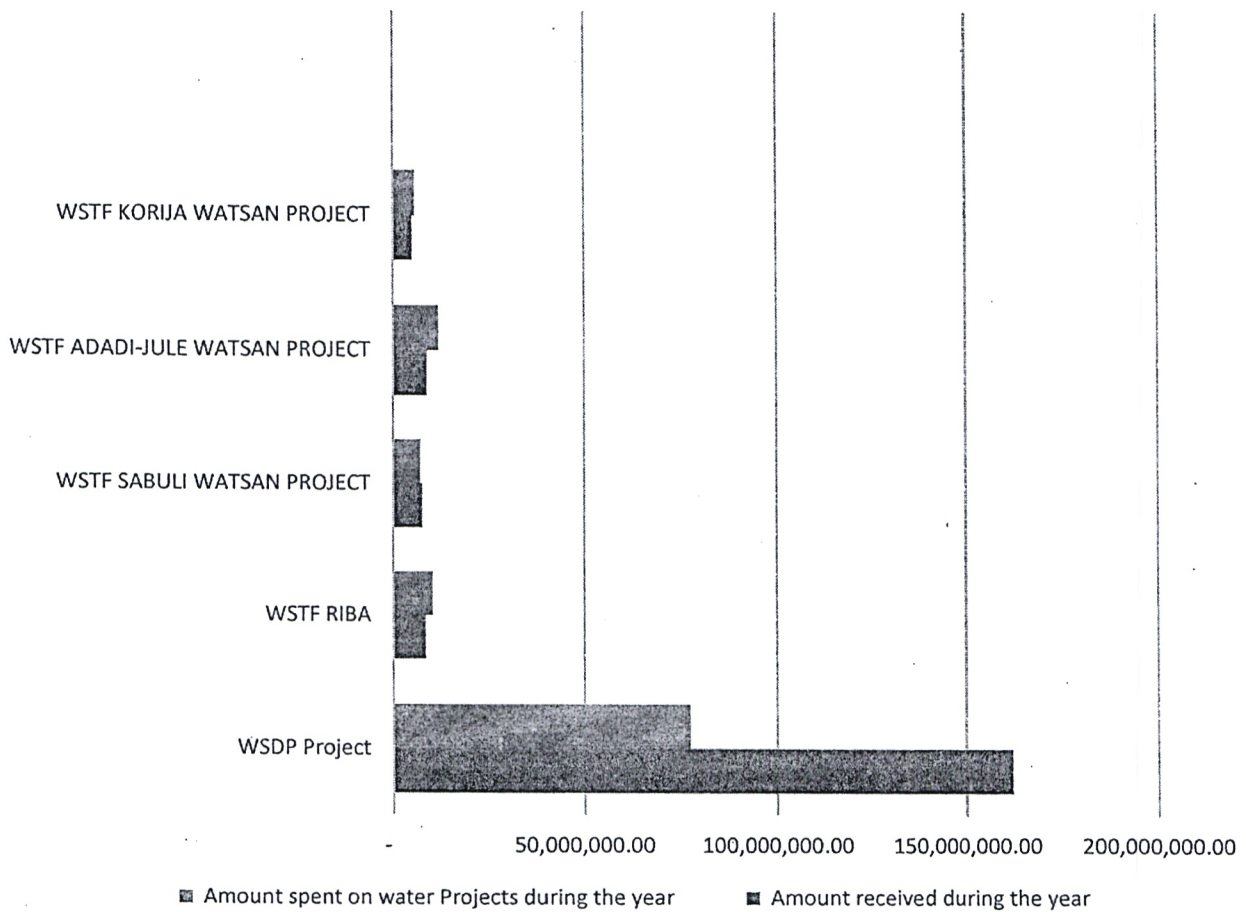
SECTION A

The entity's operational and financial performance

The company is currently regulated by WASREB, through a Service Provision Agreement (SPA) in 30/09/2014 to provide water supply and sewerage services within Wajir Town and its environs. The County Government of Wajir has appointed WAJWASCO as a Water Services Provider (WSP) for the whole of Wajir County. During the Year the Company received funds from County Government of Wajir for operations both recurrent and development as well as from Development partners to undertake given projects.

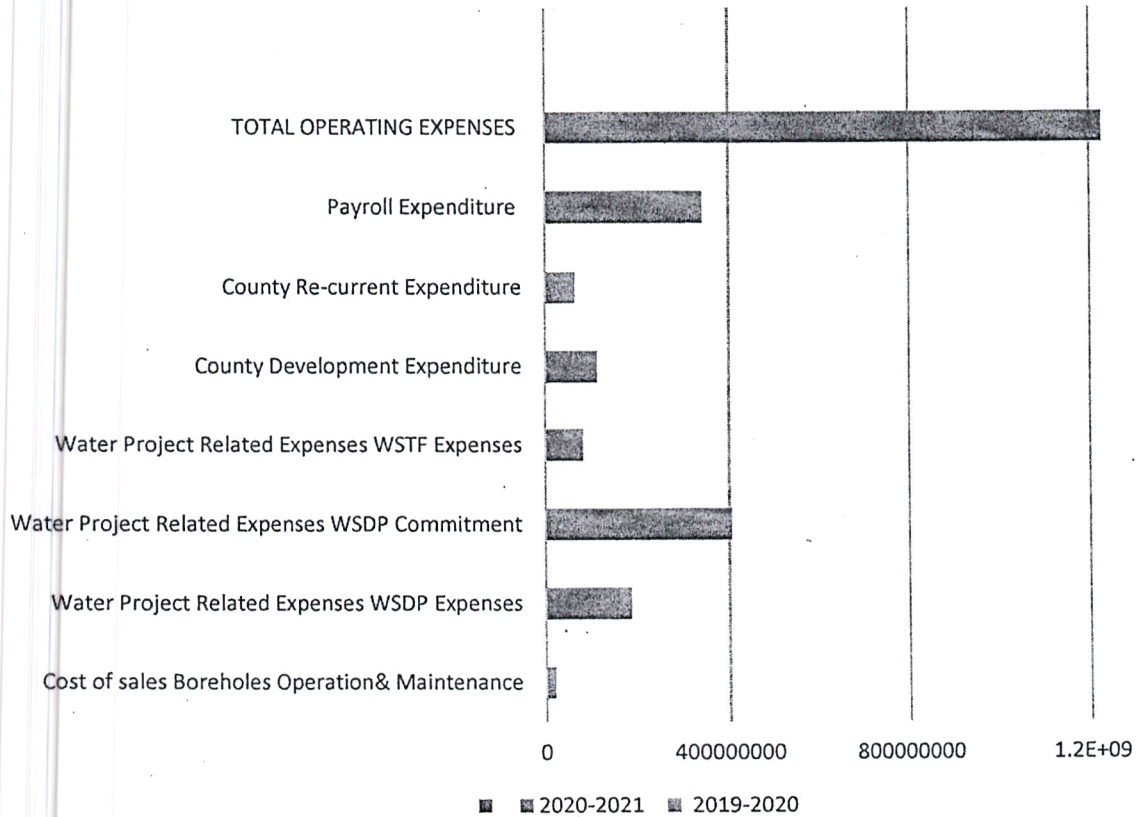
Below is graphical representation of the funds received as either capital fund or revenue for operations.

WAJWASSCO was funded by development partners in the following projects:



During the financial year the amounts were spent as bar the graph below

Wajwasco Expenditure Summary



SECTION B

Entity's compliance with statutory requirements

WAJWASCO complies with various statutory requirements that is the Water Act of 2016 and trust deed Act. Cap 164. The company is not exposed to any Contingent liabilities.

SECTION C

Key projects and investment decisions the Wajwasco is planning/implementing

WAJWASSCO was funded by development partners in the following projects:

Donors List	Amount Received During The Year	Amount Spent On Water Projects During The Year
WSDP Project	162,214,525	77,466,300
WSTF RIBA	8,721,850	10,531,309
WSTF SABULI WATSAN PROJECT	7,908,820	7,350,380
WSTF ADADI-JULE WATSAN PROJECT	9,163,740	12,183,629
WSTF KORIIJA WATSAN PROJECT	5,213,360	5,978,608
	193,222,295	113,509,866

SECTION D

Major risks facing the Wajwasco

WAJWASCO faces both operational and capital risk given that it operates in a desert environment where every household and livestock are in dire need of water. With the vastness of the County, the Water Company requires intensive capital investment to achieve its mandate in the County

VIII. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

WAJWASCO exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

a) Sustainability strategy and profile

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

b) Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organization's products.

c) Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA)

d) Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations

Explain how the organisation maintains good business practices, treats its own suppliers responsibly by honoring contracts and respecting payment practices.

c) Responsible marketing and advertisement

Outline efforts to maintain ethical marketing practices.

d) Product stewardship

outline efforts to safeguard consumer rights and interests.

Corporate Social Responsibility / Community Engagements

The Company has continuously opened water projects through help of donors like the World Bank under the WSDP- IDA grant as well as development partners through WSTF. Access to water has been be a key corporate social initiative undertaken by WAJWASCO.

WAJIR WATER & SEWERAGE CO. LIMITED
ANNUAL REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

IX. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the *entity's* affairs.

i) Principal activities

The principal activities of the entity is to providing quality affordable water and sanitation services to the residents of Wajir County.

ii) Results

The results of the entity for the year ended June 30, 2021 are set out on page 2. Below is summary of the profit or loss made during the year.

iii) Dividends

There is no payment of dividends

iv) Directors

The members of the Board of Directors who served during the year are shown on page 6. There are no retiring directors and neither is there one due for re-nomination

v) Auditors

The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or office of the auditor General Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *entity* for the year/period ended June 30, 2021, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board.

Name *Mohamed Omar*

Signature *[Signature]*

Date *02/06/2022*

Corporate Secretary/Secretary to the Board



X.STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 requires the Accounting Officer to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the *Wajwasco* for that year financial year ending June 2021. The Directors are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Wajwasco*. The Directors are also responsible for safeguarding the assets of the *Wajwasco*.

The Directors are responsible for the preparation and presentation of the *Wajwasco's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial ended on June 30, 2021. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors responsibility for the *Wajwasco's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012 and the Company's Act Cap 486.

The Directors are of the opinion that the *entity's* financial statements give a true and fair view of the state of *Wajwasco's* transactions during the financial year ended June 30, 2021, and of the *Wajwasco's* financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the *Wajwasco*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.


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

WAJIR WATER & SEWERAGE CO. LIMITED
ANNUAL REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Approval of the financial statements

The entity's financial statements were approved by the Board on _____ 2021 and signed on its behalf by:

Signature



Name Muhumed Mohamed Said

Chairperson of the Board



Signature

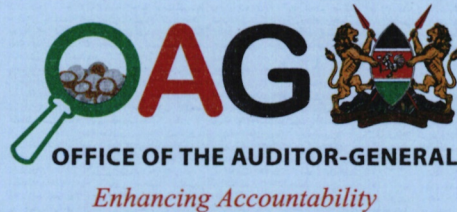
Name: Ali Bashane

Accounting officer



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON WAJIR WATER AND SEWERAGE COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of Wajir Water and Sewerage Company Limited set out on pages 20 to 57, which comprise of the statement of financial position as at 30 June, 2021 and the statement of profit or loss and other

comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters discussed in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Non-submission of Prior Years Financial Statements and Audit of Comparative Balances

Review of records revealed that the Company was incorporated in 2013. However, Management has not submitted for audit the financial statements for the financial years ended 30 June, 2016, 30 June, 2017, 30 June, 2018, 30 June, 2019 and 30 June, 2020. This is contrary to article 229 (4) of the Constitution of Kenya and Section 68 (2) (k) of the Public Finance Management Act, 2012.

Further, the financial statements for the year ended 30 June, 2021 contain comparative balances for the year ended 30 June, 2020. It was however not possible to confirm the opening balances given that the comparative figures brought forward from the financial year 2019/2020 and earlier years have not been audited.

Consequently, the accuracy of the comparative figures presented in the financial statements for the financial year 2020/2021 could not be confirmed.

2. Presentation of the Financial Statements

Review of the financial statements for the year ended 30 June, 2021 the following anomalies: -

- i). Information about the Management team does not contain details on key professional and academic qualifications and passport size photographs as required by the financial reporting template;
- ii). Passport size photographs for the Board of Directors were also not attached to the financial statements as required;
- iii). The statement of changes in equity for the year ended 30 June, 2021 was not included in the financial statements.
- iv). The statement of cash flows was not prepared in the correct format;
- v). The statement of comparison of budget and actual amounts was not prepared and incorporated in the financial statements as required by the financial reporting template;

- vi). The ICPAK membership number for the head of Finance was not indicated as required;
- vii). The statement of profit or loss and other comprehensive was not prepared in the format approved by the Public Sector Accounting Standards Board;
- viii). The statement of profit or loss and other comprehensive income and the statement of cashflows were not presented as per the format prescribed in the financial reporting template (revised June, 2021). The full amounts of development grants received from Wajir County Government and other development agencies were recognized as income. Further, expenditure on development projects was also incorrectly classified under operating expenses.

In view of the above anomalies, the financial statements were not in compliance with the format prescribed by the Public Sector Accounting Standards Board and Paragraph 27 of the International Public Sector Accounting Standard No.1.

3. Inaccuracies of the Financial Statements

The statement of profit or loss and other comprehensive income reflects county development expenditure of Kshs.60,000,000, as disclosed in Note 9 to the financial statements. However, a re-computation of the expenditure indicated an amount of Kshs.34,500,000 thereby giving rise to an unexplained variance of Kshs.25,500,000. Further, the statement of financial position reflects a trade and other payables balance of Kshs.596,039,088, as disclosed in Note 18 to the financial statements. However, a re-computation of the balance indicated a total of Kshs.555,911,059 as trade and other payables, thereby resulting in an unexplained variance of Kshs.40,128,029.

In addition, the statement of cashflows reflects a cash balance as at 30 June, 2021 of Kshs.110,516. However, a re-computation of the balance indicated an amount of Kshs.(2,572,484) thereby resulting in an unexplained variance of Kshs.2,683,000.

In the circumstances, the accuracy of the financial statements could not be confirmed.

4. Unsupported Revenue Collection from Boreholes

The statement of profit or loss and other comprehensive income for the year ended 30 June, 2021 reflects Kshs.5,570,733 in respect of revenue collection from boreholes. However, the supporting schedules and the corresponding ledgers were not provided for audit.

Further, review of records revealed that the Company produced a total of 1,157,670 cubic meters (m³) of water, under this category of revenue, out of which 207,738 cubic meters (m³) were billed to customers at a rate of Kshs.125 per cubic meter which would have translated to revenue amounting to Kshs.25,967,250. However, the Company reported revenue collection from boreholes as Kshs.5,570,733 thus giving rise to an unexplained difference of Kshs.20,396,517. In addition, this situation is an indication that revenue amounting to Kshs.20,396,517 may not have been accounted for during the year under review.

In the circumstances, the accuracy and completeness of the revenue amount from boreholes and other income of Kshs.5,570,733 could not be confirmed.

5. Unsupported Expenditure

The statement of profit or loss and other comprehensive income reflects total operating expenses of Kshs.948,202,296. However, schedules and ledgers supporting the amount were not provided for audit.

Further, Note 12 to the financial statements reflects a depreciation charge for the year of Kshs.57,041,149 which was not included in the total operating expenses in the statement of profit or loss and other comprehensive income. This implies that the loss before taxation was understated by the same amount of Kshs.57,041,149.

In the circumstances, the accuracy, validity and completeness of the total operating expenses of Kshs.948,202,296 could not be confirmed.

6. Unsupported Cash and Cheque Withdrawals

The statement of profit or loss and other comprehensive income reflects cost of sales: boreholes operation and maintenance expenses of Kshs.5,500,154 which includes payments amounting to Kshs.3,842,820 made through cash and cheque withdrawals from the Company's account held at a local bank. However, payment documents supporting these payments were not provided for audit.

In the circumstances, the propriety, accuracy and completeness of the payments of Kshs.3,842,820 for the year ended 30 June, 2021 could not be confirmed.

7. Cash and Cash Equivalents

The statement of financial position reflects bank and cash balance of Kshs.110,516 as at 30 June, 2021. Further, as disclosed in Note 14 to the financial statements, the Company operated seven (7) bank accounts during the year under review. However, bank reconciliation statements for five (5) accounts were not provided for audit. Further, the bank account names and numbers for the accounts were not indicated in the schedule at Note 14 to the financial statements.

Consequently, the accuracy and completeness of bank and cash balance of Kshs.110,516 could not be confirmed.

8. Material Uncertainty Relating to Going Concern

The statement of profit or loss and other comprehensive income reflects a deficit of Kshs.413,268,608 thereby decreasing the revenue reserves balance by Kshs.413,268,608. Further, the current liabilities of Kshs.596,039,088 exceeded the current assets of Kshs.2,793,516 resulting to a negative working capital of Kshs.593,245,572. The Company may therefore be unable to meet its short-term financial obligations as and when they fall due. The material uncertainty relating to going concern and the measures put in place to improve the Company's financial performance have not been disclosed in the financial statements.

In the circumstances, the Company is technically insolvent and its continued operations as a going concern is dependent on the support from the County Government of Wajir and grants from development partners.

9. Late Submission of Financial Statements

The financial statements for the financial year ended 30 June, 2021 were submitted to the Auditor-General on 16 December, 2021 two and half (2 ½) months after the deadline of 30 June, 2021. This was in contravention of Section 116 (7) of the Public Finance Management Act, 2012 which requires financial statements to be submitted to the Auditor-General within three months after the end of each financial year.

Consequently, the Company was in breach of the law.

10. Operation Without an Approved Budget

The Management did not prepare estimates of income and expenditure and submit the same to the respective County Executive Committee Members as required. Further the financial statements did not include a statement of comparison of budget and actual amounts as required in the financial reporting template (revised June, 2021) as prescribed by the Public Sector Accounting Standards Board.

The Fund was therefore in breach of Section 149(2)(j) of the Public Finance Management Act, 2012 by operating without an approved budget.

11. Non-Revenue Water

During the year under review, the Company produced a total of 1,157,670 cubic meters (m³) of water. However, 207,738 (m³) were billed to customers, resulting to Non-Revenue Water (NRW) of 949,932 cubic meters or 82% which differed with the allowable NRW rate as prescribed by the Water Service Regulatory Board (WASREB) guidelines of 25% thereby resulting to 57% NRW over and above the allowable rate. Therefore, the unallowable 57% or 659,872 cubic meters of water may have resulted to the Non-Revenue Water (NRW) loss of water sales estimated at Kshs.82,483,988 at a rate of Kshs.125 per cubic meter.

This significant level of NRW may negatively impact on the Company's profitability and is a risk to sustainability of its operations.

12. Administration Costs

12.1 Staff Recruitment and Management of Human Resources

Review of the human resource records of the Company revealed that Management had engaged five hundred and twenty-one (521) employees in various positions over the years.

However, review of the recruitment process revealed the following anomalies: -

- i). There was no approved staff establishment, hence it was not possible to confirm the optimal staff levels for the various positions to which staff were recruited;
- ii). Appointments were done without following due recruitment process in the public service. There was no evidence to confirm that all the positions were competitively filled. Key recruitment documents such as vacancy

advertisements, application letters, department requisitions, shortlisting minutes and interview score sheets were not provided for audit verification; and

- iii). The Company did not have a scheme of service and the salaries paid to officers appointed were not based on any approved salary structure.

This was contrary to Article 232(1)(i) of the Constitution of Kenya which states that the values and principles of public service include - affording adequate and equal opportunities for appointment, training and advancement, at all levels of the public service and Section 76 of the Employment Act, 2007 which gives the process of notification of vacancies in any organization.

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

12.2 Engagement of Employees on Interim Basis

Review of the June 2021 payroll, revealed that the Company had ninety-four (94) employees serving on interim positions which do not exist in the public service. Further, review of their appointments revealed the following anomalies: -

- i). There was no evidence to confirm that the positions were competitively filled by the Board as required.
- ii). Salaries paid to officers appointed on interim positions were not based on any approved salary structure.
- iii). The interim officers were to serve for a period of six (6) months and thereafter be confirmed into the permanent and pensionable scheme based on their performance. However, there was no evidence that the Company conducted staff performance appraisal after expiry of six (6) months and the ninety-four (94) staff were still serving on interim basis.

In the circumstances, the engagement of officers on interim positions was irregular.

12.3 Non-Compliance with Law on Ethnic Composition

Review of the list of employees revealed that the Company had a total number of five hundred and twenty-one (521) employees as at 30 June, 2021. Analysis of the employees' data revealed that five hundred and eighteen (518) employees or 99% were from the same or dominant ethnic community while the remaining three (3) or 1% were from other ethnic communities. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

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

12.4 Non-Compliance with Service Level Agreement on Personnel Cost

Review of the Company's payroll revealed that the total personnel cost for the year under review was Kshs.234,061,976 against total water revenue of Kshs.5,570,733

for the same period. This implies that personnel cost as a percentage of water revenue was 4202%.

Consequently, the Company exceeded the limit of 40%, of personnel costs against total water revenue, set by Water Services Regulatory Board which may compromise the sustainability of the Company.

12.5 Irregular Payment of Salaries to Doubtful Employees

The statement of profit or loss and other comprehensive income for the year ended 30 June, 2021 reflects payroll expenditure of Kshs.234,061,976. Analysis of the Company's monthly payrolls revealed that the staff payroll compliment had five hundred and twenty-one (521) employees as 30 June, 2021. However, the net salaries for the employees and salary deductions were paid by the Wajir County Executive. Details of the Company employees, their designations, stations of deployment and their roles and responsibilities requested during the audit were not provided for audit. Except for a few employees stationed at the Company's headquarters it was not possible to establish the existence of the large workforce of employees and the nature of duties they were employed to perform.

In the circumstances, the existence of the Company's employees, to whom personnel emoluments of Kshs.234,061,976 were paid during the year, could not be confirmed.

12.6 Lack of Appointment Letters for Board of Directors

Review of the personal files for the nine (9) Board members of the Company, revealed that their files did not contain their appointment letters. Therefore, it was not possible to confirm the appointment of the Company's Board members and their terms of service to the Company.

In the circumstances, it was not possible to confirm regularity of the Board committees, conferences and seminars' expenses amounting to Kshs.8,000,000 for the year ended 30 June, 2021.

12.7 Irregularities in the Appointment of Board of Directors

Review of the personal files of the nine (9) Board Members revealed that none of them had any qualification in the field of finance or accounting contrary to requirements under the Mwongozo's code of governance for State Corporations. Further, only one Board member met the minimum requirement for appointment to the Board as required by corporate governance guidelines for the water services sector of 2018. The Board of Directors was not properly constituted in accordance with the guidelines.

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

13. Anomalies in Procurement of Water Related Contracts

The statement of profit or loss and other comprehensive income reflects expenditure on water projects of Kshs.163,742,529 relating to projects funded by the World Bank. However, review of the project files and other tender documents revealed that projects worth Kshs.162,214,524 had the following anomalies: -

- i). An amount of Kshs.35,375,000 was paid to a supplier, for delivery and installation of twenty (20) No. Generators (15 No. 30KV and 5 No. 21 KV). However, review of tendering process revealed that the bid documents were opened on 4 March, 2019 and evaluated on 6 August, 2020, which is seventeen (17) months after they were opened. Consequently, the documents were evaluated after expiry of tender validity period of 120 days as specified in the tender documents and contrary to the provisions of Sections 87(1) and 135 (3) of the Public Procurement and Asset Disposal Act, 2015.
- ii). Notification letters of regret for contracts worth Kshs.160,938,922 were not sent to unsuccessful bidders' contrary to Sections 87(3) and 126(4) of Public Procurement and Asset Disposal Act, 2015.
- iii). Supplies with a total cost of Kshs.52,662,136 were neither received in the stores vide counter receipt vouchers (S13) nor were they issued out vide counter issue vouchers (S11).
- iv). Fuel worth Kshs.2,509,200 was not recorded in the fuel registers. Further, work tickets and detailed orders supporting utilization of the fuel were not provided for audit.
- v). Consultancy services worth Kshs.96,258,653 were awarded to three (3) consultancy firms to perform three (3) different consultancy services which included fecal slug management, hygiene framework and community led total solution. However, the payment vouchers, project files and other accompanying tender documents for the consultancy in respect of hygiene framework worth Kshs.19,267,600 were not provided for audit. In addition, although some reports were submitted, there were no minutes approving the reports for adoption. Further, the progress report on implementation of recommendations from the consultancy reports was not provided for audit.
- vi). Management did not maintain a list of pre-qualified suppliers and contractors. It was not clear how suppliers who were awarded the tenders through quotations, were identified.
- vii). Physical inspection carried out on 7 March, 2022 revealed that one trailer, consumer meters, two (2) No. exhauster vehicles and multipurpose trucks all worth Kshs.56,620,000 delivered one and half year ago had not been put into use. It was therefore not clear whether there was need for the acquisition of the equipment without proper planning and need assessment.
In addition, ownership documents for the trailer, exhausters vehicles, trucks and pickups procured during the year under review were not provided for audit review.

In the circumstances, it was not possible to confirm whether the Company obtained value for money spent on World Bank funded projects.

14. Anomalies in Procurement of Construction of Water Projects

The statement of profit or loss and other comprehensive income reflects expenditure on water projects of Kshs.40,278,911 relating to construction of water works and

sewerage funded by the Water Services Trust Fund. However, review of project files and other tender documents revealed the following anomalies: -

- i). Contract agreements for contracts worth Kshs.32,051,598 were signed between the accounting officer and the contractors before lapse of the mandatory fourteen (14) days from the date of tender award notification. This was contrary to Section 135(3) of the Public Procurement and Assets Disposal Act, 2015.
- ii). Notification letters of regret for contracts worth Kshs.38,749,128 were not sent to unsuccessful bidders' contrary to Sections 87(3) and 126(4) of the Public Procurement and Asset Disposal Act, 2015.
- iii). Payments worth Kshs.38,749,128 were not supported with certificates of practical completion.
- iv). Prior to the award of the tender, there was no evidence to show that the Company conducted due diligence and presented the report in writing to confirm and verify the qualifications of the tenderer who submitted the lowest evaluated responsive tender to be awarded the contract, contrary to Section 83(1) of the Public Procurement and Asset Disposal Act, 2015.
- v). Minutes and recommendations from the public participation that identified key priority areas for construction of water works were not provided for audit.

In the circumstances, it was not possible to confirm whether the projects funded by the Water Services Trust Fund were procured in compliance with the Public Procurement and Asset Disposal Act, 2015.

15. Service Provision Agreement, Outdated Memorandum and Articles of Association

Review of the Company's statutory compliance and registration documents revealed that the Company and Northern Water Works Development Agency signed a five (5) year service provision agreement on 30 September, 2014 which expired on 29 September, 2019. However, review of the legal documents and discussion with the Company Secretary revealed that renewal was not done after expiry of service provision agreement thus, the Company has been providing water services without authorization.

Further, the Company had not revised its Memorandum and Articles of Association in line with the revised Water Act, 2016 and Water Regulations, 2016.

In the circumstances, the Company's governance process, accountability process, internal control system and legality of its operations could not be confirmed.

16. Weaknesses in Information Technology Internal Controls

During the year under review, the Management did not have in place the following controls in regard to Information Technology (IT):

- i). The Company did not have an IT strategy committee and IT steering committee. This may result to inadequacy in IT governance, which forms a critical part of the Company's governance structure.
- ii). Lack of policies in place which cover physical access to IT environments. This could result in loss of information assets due to damages or theft.
- iii). The Company did not have disaster management and recovery policies in place including fire suppression systems.
- iv). The Company did not have a business continuity plan and the IT continuity plan including an off-site back-up plan.

Consequently, it was not possible to confirm the existence of adequate and effective Information Technology internal controls.

17. Lack of a Staff Establishment and Scheme of Service

Review of personnel records indicated that the Company had five hundred and twenty-one (521) employees. However, Management did not provide an approved staff establishment and scheme of service for audit review.

In the absence of the two documents, it was not possible to confirm the existence of internal controls on staff recruitment and promotions in the Company.

18. Maintenance of Payroll in Excel Worksheets

The Company's staff payrolls were prepared and maintained in microsoft excel worksheets instead of being prepared through an established financial management system. This implies that the possibility of errors in the payroll is high due to the associated human intervention. Further, back-up measures were not put in place to mitigate against possible risks.

In the circumstances, the security and integrity of payroll data was not guaranteed in case of damage or loss of computers where the data is stored.

19. Weaknesses in Payroll Management

Review of the Company's payroll processes revealed that there was no evidence that the payroll data was verified on a monthly basis and authorized by a senior official. Further, although the payroll was prepared by Management, payment of net salaries and statutory deductions was made by the County Executive of Wajir. There was a likelihood of irregular transactions in the Company payroll.

In the circumstances, internal controls related to the payroll systems and the ability to detect errors and omissions could not be confirmed.

20. Lack of Debt Management and Bad Debt Policies

The statement of financial position as at 30 June, 2021 reflects trade and other receivables balance of Kshs.2,683,000. However, the Company did not have a debt management policy and policy on provision for bad and doubtful debts. Further, the

debtors ageing analysis was not prepared to facilitate effective monitoring and collection of debts.

In the circumstances, the recoverability of the trade and other receivables may be in jeopardy.

21. Internal Control Weaknesses in Management of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.230,366,064 as at 30 June, 2021. The following observations were however made in regard to management of non-current assets:

- i). The Management did not maintain a fixed asset register to record among other details, the nature, dates of acquisition, cost, unique identification number, current value, current location/user, accumulated depreciation and net book value of the assets owned by the Company.
- ii). The Management has not carried out revaluation of its assets since inception.
- iii). The Company did not have an approved assets depreciation policy hence the basis of the method of depreciation and rates used could not be confirmed.

In the circumstances, failure to maintain a proper fixed assets register is an indication of poor internal control system as well as inadequate risk management.

22. Weaknesses in the Revenue Collection System

The statement of profit or loss and other comprehensive income for the year ended 30 June, 2021 reflects revenue collection from boreholes of Kshs.5,570,733. Review of the revenue collection system in place revealed that the revenue collection is done manually by revenue officers. The collection from customers is then deposited into the revenue bank account using a mobile money paybill platform by the revenue collectors. However, the revenue deposited to the bank account was net of operational costs for fuel and transportation incurred by the revenue collectors.

The operational costs for fuel and transportation were however not subjected to verification, approvals and authorization by senior officials and were not supported by any evidence.

In the circumstances, there were no internal controls in the revenue collection system and the funds collected were prone to misappropriation.

23. Lack of Risk Management System

The Company did not have a risk management policy in place. Further, Management did not carry out risk assessment during the year under review. This is contrary to Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall ensure that - the county government entity develops risk management strategies, which include fraud prevention mechanisms; and the county government entity develops a system of risk

management and internal control that builds robust business operations.

In the circumstances the Company could not be able to identify, assess and control threats that may affect achievement of its objectives.

24. Failure to Establish Audit Committee

During the year under review, Management did not establish an internal auditing committee as required by Section 155 (5) of the Public Finance Management Act, 2012 to support the accounting officer with regard to their responsibilities for issues of risk control, governance and associated assurance.

In the circumstances, it was not possible to confirm existence of effective overall risk management and governance measures.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Companies Act, 2015, Because of the significance of the matters under the Basis for Disclaimer of Opinion section of my report, I report based on my audit, that:

- i. I have not 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 not been kept by the Company, so far as appears from the examination of those records; and,
- iii. The Company's financial statements are not in agreement with the accounting records and returns.

Responsibilities of Management and the Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to liquidate the Company or to cease operations.

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

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

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


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is 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. I also consider internal controls, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance 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. However, because of the matters discussed in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion on lawfulness and effectiveness in use of public resources, and on effectiveness of internal controls, risk management and governance.

I am independent of the Wajir Water and Sewerage Company Limited 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.


CPA Nancy Gathunga, CBS
AUDITOR-GENERAL

Nairobi

06 October, 2022

**XII.STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2021.**

REVENUES	Notes	2020-2021	2019-2020
Revenue collection from boreholes		5,570,733	6,008,595
Other Income			
Grants from the County Government - Recurrent		273,370,976	104,147,990
Grants from the County Government – Development		60,000,000	25,000,000
Grants Water Sanitation Dev Project (WSDP)		162,214,525	11,442,205
Grants Water Sector Trust Fund (WSTF)		31,007,770	45,280,760
County Supplementary Allocation		2,374,684	0
Total Other Income - Water Browsers		0	0
TOTAL REVENUES	4	534,538,687	191,879,550
OPERATING EXPENSES			
Cost of sales Boreholes Operation& Maintenance	5	5,500,155	15,524,754
Water Project Related Expenses WSDP Expenses	6	163,742,529	24,621,405
Water Project Related Expenses WSDP Commitment	7	405,309,724	0
Water Project Related Expenses WSTF Expenses	8	40,278,911	44,609,000
County Development Expenditure	9	60,000,000	56,000,000
County Re-curent Expenditure	10	39,309,000	27,690,000
Payroll Expenditure	11	234,061,976	109,780,000
TOTAL OPERATING EXPENSES		948,202,296	278,225,159
PROFIT/(LOSS) BEFORE TAXATION		-413,268,608	-86,345,609
PROFIT/(LOSS) AFTER TAXATION		-413,268,608	-86,345,609
OTHER COMPREHENSIVE INCOME			
Profit/ (Loss) after taxation		-413,268,608	-86,345,609
Surplus or deficit on revaluation of PPE		-	-
Re-measurement of net defined benefit liability		-	-
Fair value gain/(loss) on investments in equity		-	-
TOTAL COMPREHENSIVE INCOME		-413,268,608	-86,345,609

WAJIR WATER & SEWERAGE CO. LIMITED
ANNUAL REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

XIII. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020-2021	2019-2020
ASSETS			
Non-Current Assets			
Property, plant and equipment	12	230,366,064	203,127,416
Total Non-Current Assets	12	230,366,064	203,127,416
Current Assets			
Trade and other receivables	13	2,683,000	3,883,875
Bank and cash balances	14	110,516	4,284,282
Inventory Assets		00	5,370,000
Total Current Assets		2,793,516	13,538,157
TOTAL Assets		233,159,580	216,665,573
EQUITY AND LIABILITIES			
Capital and Reserves			
Opening balances Equity		2,683,000	0
Capital Fund		-535,338,131.29	200,459,008
Retained earnings		169,775,624	10,836,565
Capital and Reserves		-362,879,508	211,295,573
Current Liabilities			
Trade and other payables		596,039,088	5,370,000
Total Current Liabilities		596,039,088	5,370,000
TOTAL EQUITY AND LIABILITIES		233,159,580	216,665,573

The financial statements were approved by the Board on 02/06/2022 2022 and signed on its behalf by:

Director General/ M. D

Head of Finance

Chairman of the Board

Name: ALI BASHANI



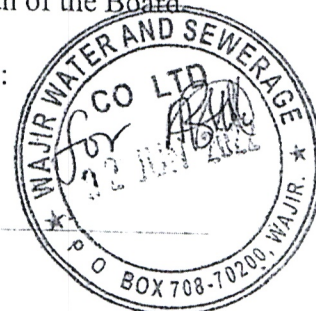
Sign

[Signature]

SIYAD ADOW

[Signature]

Name:



Sign

XIV.WAJWASCO COPERATE STATEMENT

Wajwasco board of directors is accountable to the owners of the water service providers (shareholders) for achieving the corporate objectives. The shareholder is accountable to the citizen who requires the services and owes fidelity to the Constitution 2010. The competence and conduct of the board, in regard to factors such as business ethics and the environment has an impact on legitimate societal interests (stakeholders) and thereby influences the reputation and long-term interests of the water sector enterprise in the whole County and attainment of Vision 2030 and the Sustainable Development Goals.

Wajwasco has 9 board members with gender distribution of 6 male 3 female members. 5 Member of the Company’s Board had bachelor degree of relevant technical field and 4 other members met the minimum requirement for appointment as a board member as required by corporate governance guideline for the water services sector, 2018 and Mwongozo policies.

No.	Member	Nominating Institution	Terms Status
1.	Mr. Muhumed Mohamud Said- Chairman	Labour Union	End on 24 th February 2022
2.	Mohamed Sokor	Finance & Audit	End on 24 th February 2022
3.	Mr. Abdirahman Yare Haj -Member	Labour Union	End on 24 th February 2022
4.	Mr. Abubakar Ali Adow -Member	Business Community	End on 24 th February 2022
5.	Mr. Amina Bille -Chairlady	Business Community	End on 24 th February 2022
6.	Mr. Dahaba Hussein Maday-Member	Business Community	End on 24 th February 2022
7.	Noor Mohamed Bardad -Member	Labour Union	End on 24 th February 2022
8.	Mrs. Nasteha Mohamed Abdille-Member	Business Community	End on 24 th February 2022
9.	Ahmed Guhad Omar -Member	Water Department	End on 24 th February 2022

Board diversity

The board is constituted by members who have experience in accountancy, auditing, corporate goverance, public finance management and financial background. The board mandate is to prescribe accpounting standards and internal control standards for all state organs and public entities and therefore the members are required to have technical knowledge in accountancy and audit. The biographies of the board mebers are disclosed on page 3 to 5 of this report.the board had three female out of the nine members and therefore met the constitutional threshold since at least a third of all members were female. The board also sdhere to the tenents of regional balance.

XV.STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021 Kshs	2019-2020 Kshs
OPERATING ACTIVITIES			
Net Income		-413,663,609	0
Adjustments to reconcile Net Income		0	0
to net cash provided by operations:		0	0
Accounts Receivable	14	-2,683,000	214,376,754
Accounts Payable		530,045,788	214,376,754
Net cash provided by Operating Activities		113,699,180	
Non-Current Assets		-35,375,000	
Non-Current Assets:8001.5 Land And Building		-48,500,000	(203,127,416)
Non-Current Assets:8001.3 · Trailor Night Soil Collection		-3,750,000	
Non-Current Assets:8001.4 · Multi-Purpose Transport Truck		-8,970,000	-
Non-Current Assets:8001.5 · Toyota Pick Up		-28,141,064	-
Net cash provided by Investing Activities		-124,736,064	(203,127,416)
Net cash increase for period		-11,036,884	11,249,338
Cash at beginning of period		8,464,400	-
Cash at end of period	15	110,516	8,464,400
Cash at end of period	15	110,516	8,464,400

XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2021

Note: PFM Act section 81(2) ii and iv requires a National Government entity to present appropriation accounts showing the status of each vote compared with the appropriation for the vote and a statement explaining any variations between actual expenditure and the sums voted. IFRS does not require entities complying with IFRS standards to prepare budgetary information because most of the entities that apply IFRS are private entities that do not make their budgets publicly available.

However, for public sector entities, the PSASB has considered the requirements of the PFM Act, 2012 which these statements comply with, the importance that the budgetary information would provide to the users of the statements and the fact that the public entities make their budgets publicly available and decided to include this statement under the IFRS compliant financial statements.

Budget notes: Provide explanation of differences between actual and budgeted amounts (10% over/ under) Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

XVII. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Wajwasco entity is established by and derives its authority and accountability from water Act 2016. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is water supply and sanitation services. For Kenyan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income in these financial statements.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (*include any other applicable legislation*), and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

a) Application of New and Revised International Financial Reporting Standards (IFRS)

i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2021.*

Title	Description	Effective Date
IAS 39-Financial Instruments: Recognition and Measurement	IAS 39 "Financial Instruments: Recognition and Measurement" outlines the requirements for the recognition and measurement of financial assets, financial liabilities, and some contracts to buy or sell non-financial items. Financial instruments are initially recognized when an entity becomes a party to the contractual provisions of the instrument and are classified into various categories depending upon the type of instrument, which then determines the subsequent measurement of the instrument (typically amortized cost or fair value). Special rules apply to embedded derivatives and hedging instruments.	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.
IFRS 4- Insurance Contracts (Superseded)	IFRS 4 "Insurance Contracts" applies, with limited exceptions, to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. In light of the IASB's comprehensive project on insurance contracts, the standard provides a temporary exemption from the requirements of some other IFRSs, including the requirement to consider IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" when selecting accounting policies for insurance contracts.	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.

Title	Description	Effective Date
IFRS 7- Financial Instrument Disclosures	IFRS 7 "Financial Instruments: Disclosures" requires disclosure of information about the significance of financial instruments to an entity, and the nature and extent of risks arising from those financial instruments, both in qualitative and quantitative terms. Specific disclosures are required in relation to transferred financial assets and a number of other matters.	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.
IFRS 16- Leases	IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained.	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.

Title	Description	Effective Date
IAS 1 — Presentation of Financial Statements	IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

Title	Description	Effective Date
IAS 12 — Income Taxes	IAS 12, "Income Taxes" implements a so-called 'comprehensive balance sheet method' of accounting for income taxes which recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of an entity's assets and liabilities. Differences between the carrying amount and tax base of assets and liabilities, and carried forward tax losses and credits, are recognized, with limited exceptions, as deferred tax liabilities or deferred tax assets, with the latter also being subject to a 'probable profits' test.	Earlier application is permitted. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.
IAS 16 — Property, Plant and Equipment	IAS 16 "Property, Plant and Equipment" outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
IAS 37 — Provisions, Contingent Liabilities and Contingent Assets	IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable).	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
IAS 41 — Agriculture	IAS 41 "Agriculture" sets out the accounting for agricultural activity – the transformation of biological assets (living plants and animals) into agricultural produce (harvested product of the entity's biological assets). The	The amendments are effective for annual periods beginning on or after

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Title	Description	Effective Date
	standard generally requires biological assets to be measured at fair value less costs to sell.	January 1, 2022. Early application is permitted.
IFRS 1 — First-time Adoption of International Financial Reporting Standards	IFRS 1 "First-time Adoption of International Financial Reporting Standards" sets out the procedures that an entity must follow when it adopts IFRS for the first time as the basis for preparing its general-purpose financial statements. The IFRS grants limited exemptions from the general requirement to comply with each IFRS effective at the end of its first IFRS reporting period.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
IFRS 3 — Business Combinations	IFRS 3 "Business Combinations" outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.
IFRS 17 — Insurance Contracts	IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.	The IASB tentatively decided to defer the effective date of IFRS 17, Insurance Contracts to annual periods beginning on or after January 1, 2022. [The IASB has also published 'Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)' to

Title	Description	Effective Date
		defer the fixed expiry date of the amendment also to annual periods beginning on or after January 1, 2023.]

ii. Early adoption of standards The entity did not early – adopt any new or amended standards in year 2020/2021.

The Directors have assessed the applicable standards and amendments. Based on their assessment of impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements. Or the following has been assessed to be significant for the company and has been addressed as follows

NOTES TO THE FINANCIAL STATEMENTS (Continues)

Summary of Significant Accounting Policies

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

a) Revenue recognition

Revenue is measured based on the consideration to which the entity expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognizes revenue when it transfers control of a product or service to a customer.

1. **Revenue from the sale of goods and services** is recognized in the year in which the *entity* delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
2. **Grants from National Government** are recognized in the year in which the *entity* actually receives such grants. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.
3. **Finance income** comprises interest receivable from bank deposits and investment in securities, and is recognized in profit or loss on a time proportion basis using the effective interest rate method.
4. **Dividend income** is recognized in the income statement in the year in which the right to receive the payment is established.
5. **Rental income** is recognized in the income statement as it accrues using the effective interest implicit in lease agreements.
6. **Other income** is recognized as it accrues.

b) In-kind contributions

In-kind contributions are donations that are made to the *entity* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably

determined, the *entity* includes such value in the statement of comprehensive income both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

c) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses. Certain categories of property, plant and equipment are subsequently carried at re-valued amounts, being their fair value at the date of re-valuation less any subsequent accumulated depreciation and impairment losses. Where re-measurement at re-valued amounts is desired, all items in an asset category are re-valued through periodic valuations carried out by independent external valuers.

Increases in the carrying amounts of assets arising from re-valuation are credited to other comprehensive income. Decreases that offset previous increases in the carrying amount of the same asset are charged against the revaluation reserve account; all other decreases are charged to profit or loss in the income statement. Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from the disposal with the net carrying amount of the items, and are recognised in profit or loss in the income statement.

d) Depreciation and impairment of property, plant and equipment

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the cost of ongoing but incomplete works on buildings and other civil works and installations.

Depreciation on property, plant and equipment is recognized in the income statement on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use are:

Freehold Land	Nil
Buildings and civil works	25 years or the unexpired lease period
Plant and machinery	12.5 years
Motor vehicles, including motor cycles	4 years
Computers and related equipment	3 years
Office equipment, furniture and fittings	12.5 years

A full year's depreciation charge is recognized both in the year of asset purchase and in the year of asset disposal.

Items of property, plant and equipment are reviewed annually for impairment. Where the carrying amount of an asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized so that the asset is written down immediately to its estimated recoverable amount.

e) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

f) Amortization and impairment of intangible assets

Amortization is calculated on the straight-line basis over the estimated useful life of the intangible asset. All intangible assets are reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized so that the asset is written down immediately to its estimated recoverable amount.

g) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

h) Right of Use Asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset,

restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position..

i) Fixed interest investments (bonds)

Fixed interest investments refer to investment funds placed under Central Bank of Kenya (CBK) long-term infrastructure bonds and other corporate bonds with the intention of earning interest income upon the bond's disposal or maturity. Fixed interest investments are freely traded at the Nairobi Securities Exchange. The bonds are measured at fair value through profit or loss.

j) Quoted investments

Quoted investments are classified as non-current assets and comprise marketable securities traded freely at the Nairobi Securities Exchange or other regional and international securities exchanges. Quoted investments are stated at fair value.

k) Unquoted investments

Unquoted investments stated at cost under non-current assets, and comprise equity shares held in other Government owned or controlled entities that are not quoted in the Securities Exchange.

l) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct Labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

m) Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off after all efforts at recovery have been exhausted.

n) Taxation

a. Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

o) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred Tax

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused

tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognized in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalized borrowing costs reflect the hedged interest rate. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q) 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 reporting period. 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.

r) Borrowings

Interest bearing loans and overdrafts are initially recorded at fair value being received, net of issue costs associated with the borrowing. Subsequently, these are measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue cost and any discount or premium on settlement. Finance charges, including premiums payable of settlement or redemption are accounted for on accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Loan interest accruing during the construction of a project is capitalised as part of the cost of the project.

s) Trade and other payables

Trade and other payables are non-interest bearing and are carried at amortised cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the entity or not, less any payments made to the suppliers.

t) Retirement benefit obligations

The entity operates a defined contribution scheme for all full-time employees from July 1, 2021. The scheme is administered by an in-house team and is funded by contributions from both the company and its employees. The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.1,000 per employee per month.

u) Provision for staff leave pay

Employees' entitlements to annual leave are recognised as they accrue at the employees. At provision is made for the estimated liability for annual leave at the reporting date.

v) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the entity operates, Kenya Shillings. Transactions in foreign currencies during the year/period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Summary of Significant Accounting Policies

w) Budget information

The original budget for FY 2020-2021 was approved by the County Assembly on July 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Wajwasco's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

a) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

b) Comparative figures

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

c) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the Entity
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- c) The nature of the processes in which the asset is deployed
- d) Availability of funding to replace the assets

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

(include provisions applicable for your organization e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

4. Revenue

Particulars	2020/2021 Kshs	2019/2020 Kshs
Income from Sales of water	5,570,733	6,008,595
Income from Sewer Services	0	0
Water Bowers Income	0	0
County Supplementary Allocation	2,374,684	2,400,000
DONATION FROM WORLD BANK	162,214,524	45,015,440
R 3376 RECURRENT ALLOCATION	273,370,976	233,490,976
Wajir County Develop Allocation	60,000,000	55,000,000
WSTF DONATION	31,007,770	46,900,000
Total	534,538,687	388,815,011

5. Cost of Sales

Particulars	2020/2021 Kshs	2019/2020 Kshs
Operation of water boreholes	5,500,154	4,670,000
Cost of sales on services	0	0
Total	5,500,154	4,670,000

6. WSDP EXPENDITURE SUMMARY

Particulars	2020/2021 Kshs	2019/2020 Kshs
Fuel cost for WSDP Project	2,509,200	0
Purchase of vehicle for WSDP Project	95,055,300	0
Insurance cost for WSDP	195,000	0
Purchase of General Equip	42,231,000	5,000,000
Hospitality & Catering	950,000	900,000
Supplies & Consumbles	6,547,428	4,081,420
Consultancy fees	14,706,286	0
Advertisement cost	741,985	631,500
Bank Charges	8,530	6,890
Domestic Travel & Allowance	797,800	243,000
Total	163,742,529	10,862,810

7. PENDING COMMITMENTS/ INVOICES

Particulars	2020/2021 Kshs	2019/2020 Kshs
WSDP WORKS	178,902,942	0
WSDP GOODS	113,350,449	0
WSDP CONSUTANCY	67,977,742	0
WAJWASCO PENDING BILLS	45,078,591	10,862,810
Total	405,309,724	10,862,810

8. WSTF EXPENDITURE SUMMARY

Particulars	STRUCTURE	ADMIN	REF	TOTALS
RIBA WATSAN PROJECT	10,531,309	15,361	0	10,546,670
SABULI WATSAN PROJECT	7,350,381	1,286,421	739,995	9,376,797
ADADI-JULE WATSAN PROJECT	12,183,628	1,248,640	100,968	13,533,236
KORIJA WATSAN PROJECT	5,978,609	841,140	2,461	6,822,210
TOTALS				40,278,913

9. County Expenditure Summary

Particulars	2020/2021 Kshs	2019/2020 Kshs
Purchase of Lab Equipement	2,500,000	2,250,000
Purchase of Equipment	4,000,000	2,400,000
Purchase of Specialised Plant	3,600,000	2,900,000
Construction of Non-Resident Buildings	3,000,000	2,000,000
Rehabilitation of earth Pan	12,000,000	4,900,000
Purchase of sewage improvement facilities	4,600,000	2,100,000
Supply of water & sewerage improvement Facility	4,800,000	1,000,000
Total	60,000,000	17,550,000

10. Recurrent Expenditure Summary

Particulars	2020/2021	2019/2020
Telephone, Telex, Facsimile and Mobile Phone Services	69,000	50,000
Catering Services Accommodation, Food and Drinks	2,000,000	2,000,000
Boards, Committees, Conferences and Seminars	8,000,000	4,000,000
Daily Subsistence Allowance	2,000,000	2,200,000
Being Payment for Accomulative Electricity cost for wajwasco	600,000	300,000
Refined Fuels and Lubricants for Transport	3,500,000	2,500,000
Being Payment for supply of General Office Supplies	1,500,000	1,800,000

Being Payment for Accomulative Routine maintenance	3,800,000	3,100,000
Manitenance Civil Work	4,000,000	1,000,000
Professional Services	3,000,000	2,000,000
Pur Of Uniform & Clothes	2,000,000	2,000,000
Purchase Of Workshop Tools	1,080,000	1,080,000
Purchase Of Workshop Tools	2,000,000	1,000,000
Rent And Rates	4,800,000	1,400,000
Sanitary/Cleaning Materials	960,000	760,000
Total	39,309,000	25,190,000

11. Salaries & Personnel Cost

Description	2020/2021 Kshs	2019/2020 Kshs
Net Pay	202,055,639	195,593,893
NHIF	6,036,650	22,846,487
NSSF	1,203,200	5,532,690
PAYEE	24,766,488	903,500
Total	234,061,977	224,876,570

12. Property, Plant and Equipment

Wajwasco Fixed Assets Movement Schedule							
property, plant and machinery	0.13	0.13	0.25	0.30	0.13	0.13	Totals
Particulars	Land & Building	Plant & Machinery	Motor Vehicles	Computer & Printers	Furniture & Fittings	Equipment's	
As at 1st July 2020	0	140,348,617	69,592,650	2,684,000	938,025	16,083,000	229,646,292
Additions at cost	48,500,000	0	76,419,042	0	0	0	124,919,042
Reclassification	0	0	0	0	0	0	0
As at 1st June 2021	48,500,000	140,348,617	146,011,692	2,684,000	938,025	16,083,000	354,565,334
accumulated Depreciation	0	35,210,796	24,722,650	1,551,000	312,675	5,361,000	67,158,121
Depreciation for the year	0	17,605,398	36,502,923	805,200	117,253	2,010,375	57,041,149
Total Depreciation	0	52,816,194	61,225,573	2,356,200	429,928	7,371,375	124,199,270
NBV 30.6.2021	48,500,000	87,532,423	84,786,119	327,800	508,097	8,711,625	230,366,064

Detailed summary of Additional Assets

S/No.	Description	Quantity	@ cost	Totals
1.	2 No. Exhausters Capacity 18,000 ltrs, to boost revenue generation	2	16,800,000	33,600,000
2.	4 No. Toyota 4X4 double cap pick ups to increase mornitoring	4	7,035,266	28,141,064
3.	1No. Multi-purposes Transport Truck	1	8,970,000	8,970,000
4.	1 No. Trailor for Night Soil Collection	1	3,750,000	4,990,000
5.	Installation of Trucking systems to 7 No. Water Bowsers	7	102,568.30	717,978
6.	Totals			76,419,042

13. Trade and Other Receivables

Particulars	2020/2021 Kshs	2019/2020 Kshs
001 Giriftu Water Supply	116,000	60,000
002 Sarman Water Supply	336,500	136,000
003 Khorof Harar Water Supply	100,625	10,250
004 Riba Water Supply	185,750	15,750
005 Hadado Water Supply	238,000	118,000
007 Athibohol Water Supply	346,125	16,105
008 Arbajahan Water Supply	61,875	31,750
009 Wargadud Water Supply	37,750	397,700
010 Water Minor Water Supply	57,000	117,000
011 Anole Water Supply	257,875	200,850
012 Hargaal Water Supply	79,875	19,875
014 Tesorey Water Supply	268,375	0
015 Majabow Water Supply	110,875	0
016 Korondile Water Supply	49,125	0
017 Dambus Water Supply	1,000	0
020 Mansa Water Supply	41,250	0
Wajir General Hospital Renal Dialysis Uni	395,000	125,000
Net trade and other receivables	2,683,000	1,248,280

14. Bank and Cash Balances

Particulars	2020/2021 Kshs	2019/2020 Kshs
Cash at bank	110,516	10,836,565
Cash in hand	-	-
Totals	110,516	10,836,565

15. Detailed analysis of the cash and cash equivalents

Financial institution	A/c number	2020/2021 Kshs
Wsdp Project	1030278635680	35,656
Riba-WSTF	01040218268300	261
Sabuli Watsan Project -WSTF	0104021826800	501
Adadi-Jule Watsan Project-WSTF	01040218249800	500
Korija Watsan Project-WSTF	01040218269000	501
Wajwasco Revenue Account	1030278626125	70,578
Wajwasco Development Account	IFMIS	2,519
Total cash and cash equivalents		110,516

16. Capital Fund

This is the fund indicating the capital investment undertaken and capitalized into assets as shown in the statement of changes in Net Equity.

17. Retained Earnings

The retained earnings represent amounts available for distribution to the *Wajwasco's* shareholders. Undistributed retained earnings are utilized to finance the *Wajwasco's* business activities.

18. Trade and Other Payables

Particulars	2020-2021-Kshs	2019-2020 Kshs
Arshaad Hardware Limited	48,500,000	0
East Africa Engineering Ltd	102,987,415	0
Claxion Human Resources limited	17,340,840	0
Paybal Consultancy firm	4,944,000	0
Sanivation limited	121,865,500	0
Losai Amanagement Limited	100,966,062	0
Unicode Innovation Limited	26,692,800	0
Pridein Hotel & Investment	203,600	0
SHAWWAL FILLING STATION LTD	8,000	0
Straatogen Limited	40,643,362	0
Shalloline Construction co. Limited	39,268,680	0
Wajir County Guest House	490,800	0
Stratogen Limited	52,000,000	1,800,000
Abdiwait Hardware	0	3,570,000
Total	596,039,088	5,370,000

19. Notes to The Statement of Cash Flows

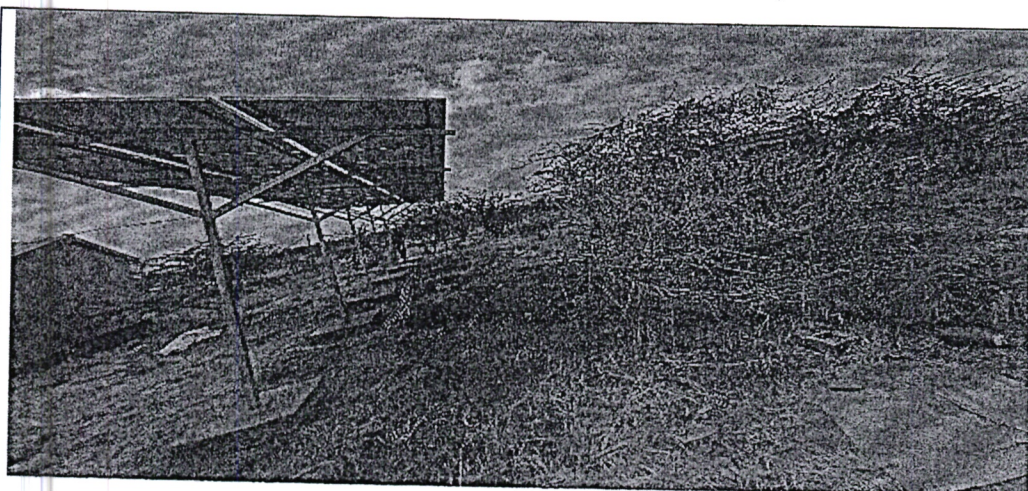
20. Related Party Disclosures

Government of Kenya

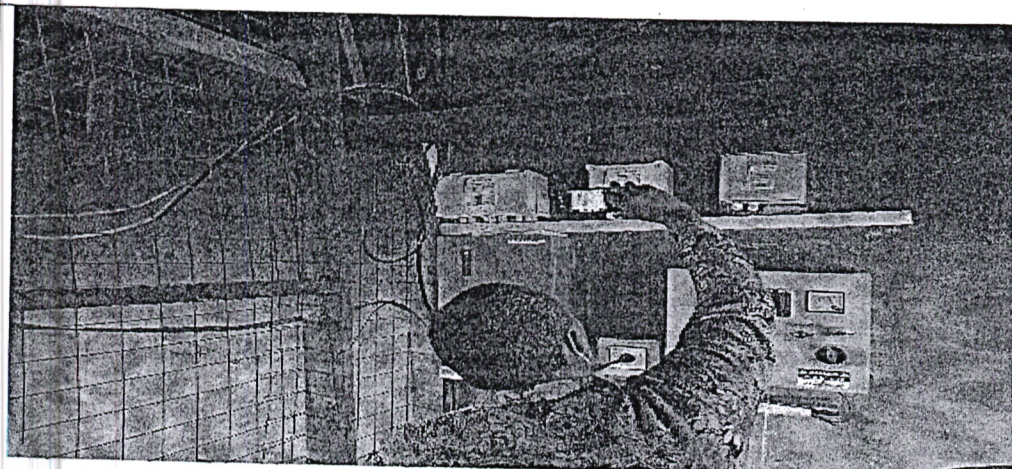
The Wajir County Government is the principal shareholder of the *Wajwasco*, holding 100% of the *Wajwasco's* equity interest. Wajir County Government has provided full guarantees to all long-term lenders of the entity, both domestic and external.

Other related parties include:

- i) The Parent Ministry
- ii) County Government of Wajir
- iii) Department for water
- iv) Key management
- v) Board of directors



Installed solar at Baragodey



Inspection of the installed solar by part of the inspection team.

APPENDIX 3: PROJECT NOT YET ADVERTISED

1.	KE-WAJWASCO--CW-RFB / Rehabilitation and Expansion of Lanbib Water Supply Scheme
2.	KE-WAJWASCO-63470-CW-RFB / Rehabilitation and pipeline extension of Wajir minor water supply.
3.	KE-WAJWASCO-30393-CW-RFB / Faecal sludge management works and operational auxiliary facilities
4.	KE-WAJWASCO-37797-CW-RFB / Rehabilitation and Expansion of Rifeit Water Supply Scheme
5.	Lanbib community project
6.	Rifeit community project
7.	UTF Goods
8.	KE-WAJWASCO-168515-GO-RFB /Bucket replacement equipment
9.	KE-WAJWASCO-228217-GO-RFQ /Supply and testing of laboratory equipment.

WAJIR WATER & SEWERAGE CO. LIMITED
ANNUAL REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

APPENDIX 4: SUMMARY OF WSTF FUNDED PROJECT

S/No.	Description	Status
1.	Adadi jule WATSAN PROJECT	Completed
2.	RIBA WATSAN PROJECT	Completed
3.	SABULI WATSAN PROJECT	Completed
4.	KORIJA WATSAN PROJECT	Completed

APPENDIX 5: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
N/A	N/A	N/A	N/A	N/A
Attached	Attached	Attached	Attached	Attached

Accounting Officer

Name: Ali Bashane Gaal

Managing Director

Signature

Date

Ali Bashane Gaal

2/6/2022



21. Financial Risk Management

The *Wajwasco's* activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The company's financial risk management objectives and policies are detailed below:

(i) Credit risk

The *Wajwasco* has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due. The board of directors sets the *Wajwasco's* credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the *Wajwasco's* directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. *Wajwasco's* manages liquidity

risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the company on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect *Wajwasco's* income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The company's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

(iv) Foreign currency risk

Wajwasco has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

(iii) Market risk (Continued)

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

22. Incorporation

The *Wajwasco* is incorporated in Kenya under the Kenyan Companies Act and is domiciled in Kenya.

23. Events After the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

24. Currency

The financial statements are presented in Kenya Shillings (Kshs).

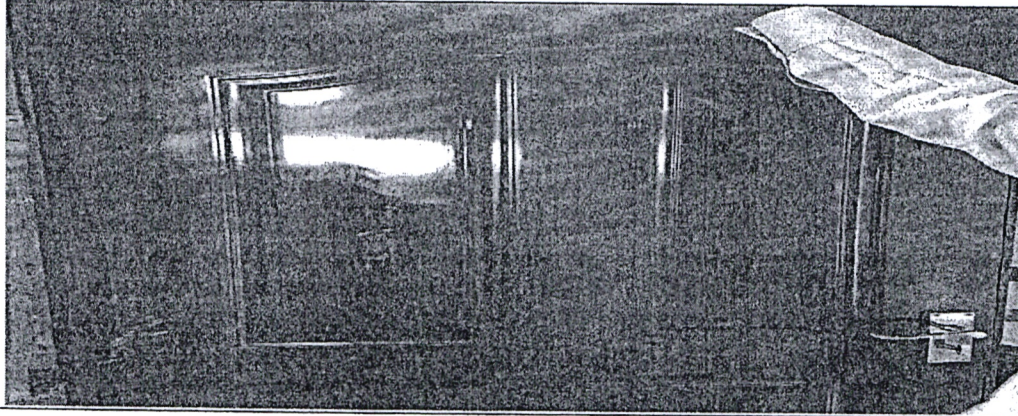
APPENDICES 1: SUMMARY OF WORD BANK FUND PROJECT

S/N	Contract Reference and Description	Contract Start Date	Completion date	Status
Goods				
1.	KE-WAJWASCO-183994-GO-RFB / supply of 4 4X4 wheel drive double cab pickups – Facilitate project monitoring and evaluation	16 th September, 2020	30 th Nov 2020.	Delivered to Wajwasco
2.	KE-WAJWASCO-144915-GO-RFB /Supply and installation of solar PV power and other related borehole equipment –Hybrid power to existing 20 boreholes.	13 th July 2020	2 nd June 2022.	This project is in proress
3.	KE-WAJWASCO-183995-GO-RFQ /Trailer for night soil collection 15m ³ tanker fitted with suction pump driven by hauling tractor's power take off. – Transportation of faecal sludge	15 th - September-2020	13 th Nov 2020	Delivered to Wajwasco
4.	KE-WAJWASCO-177615-GO-RFQ Tractor- 80 HP Multipurpose tractor – Pulling trailer for Night soil collection	6 th -April-2020	20 th Aug 2020	Delivered to Wajwasco
5.	KE-WAJWASCO-225067-GO-RFB /Supply of 2No. truck mounted cranes – for borehole servicing	28 th July,2021	12 th Jan 2022	Delivered to Wajwasco
6.	KE-WAJWASCO-30745-GO-RFB Exhauster Vehicles - 2 Nr. Exhaust solid waste	14 th - February-2020	5 th - November-2020	Delivered to Wajwasco
7.	KE-WAJWASCO-30920-GO-RFQ /Multi-Purpose Transport_3-ton truck customized for multi-use as a Passenger Service Vehicle (PSV) for transport of sanitation workers or a Flatbed to transport goods.	6 th -April-2020	20 th - August-2020	Delivered to Wajwasco
8.	KE-WAJWASCO-80839-GO-RFQ / Supply and installation of meter testing bench and master meters, consumer meters & prepaid meters – Increase customer connection and calibration of meters.	30 th -January-2020.	12 th - February-2021.	Delivered to Wajwasco

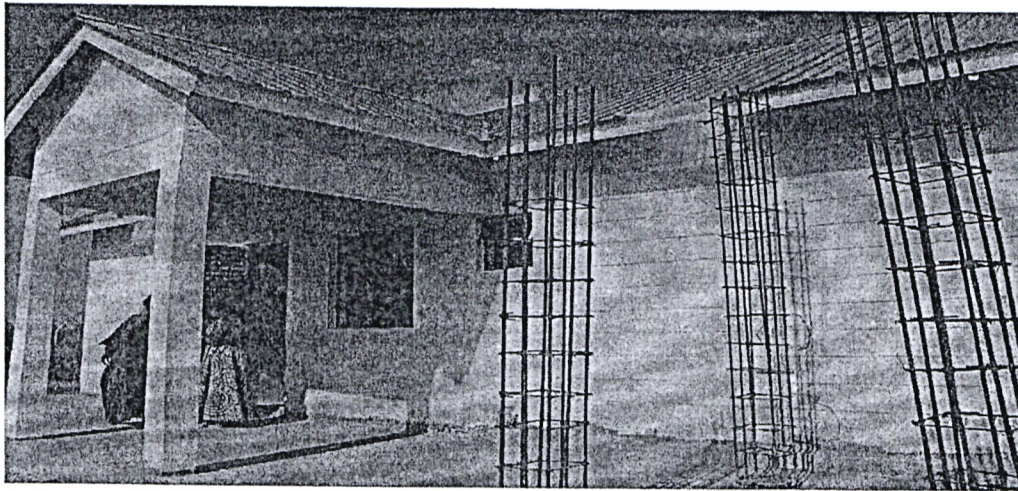
S/N	Contract Reference and Description	Contract Start Date	Completion date	Status
9.	KE-WAJWASCO-22242-GO-RFB / Gensets (20 No)- Powering of boreholes	20 th -August-2020	2 nd - November-2020	Delivered to Wajwasco
10.	KE-WAJWASCO-80831-GO-RFQ Supply of 30 motorcycles of engine capacity 165-175 cc. – used for meter readers	8 th February 2022	2 nd Aug 2022	Awarded Not Yet delivered
11.	KE-WAJWASCO-24562-GO-RFB-2 /Supply of seven 15 m3 water bowsers - water tracking and sale of water	17 th May2020	24 th April 2020	Delivered to Wajwasco
12.	KE-WAJWASCO-30744-GO-RFQ /Health and Safety - PPE and Emergency Response Sanitation Supplies – Protection of Night soil collection staff	21 st January 2020	29 th February 2020	Delivered to Wajwasco
14.	Supply of Aquatabs	16 th July 2021	16 th Oct 2021	Delivered to Wajwasco
15.	KE-WAJWASCO-173657-GO-RFQ /Supply and delivery of Laptops, Router, External hard disk and power bank	15 th September 2020	12 th November, 2020	Delivered to Wajwasco
16.	KE-WAJWASCO-173658-GO-RFQ /Supply and delivery of one Multipurpose printer	21 st January 2020	29 th February 2020	Delivered to Wajwasco
17.	KE-WAJWASCO-229942-GO-RFQ /Supply of hand pulled carts	20 th -May-2021	20 th Nov 2021	Awarded Not Yet delivered
18.	KE-WAJWASCO-168509-GO-RFQ /Supply of Two-way Radio Communication Equipment	21 st December 2020	15 th January, 2021	Delivered to Wajwasco
Consultancies				
1.	KE-WAJWASCO-89504-CS-QCBS / Technical Assistance for improvement of night soil collection – Improving efficiency of faecal sludge collection	17 th -July-2020.	17 th -July-2022	Not Yet Awarded
2.	KE-WAJWASCO-154020-CS-QCBS / Consultancy Services for Utility Turnaround framework – Improve operation of the company	18-May 2021.	30 th Aug 2022	Consultancy service in progress

S/N	Contract Reference and Description	Contract Start Date	Completion date	Status
3.	KE-WAJWASCO-86091-CS-QCBS /Consultancy services for design review, detailed designs and BDs, ESIA's and RAPs and supervision of immediate water and sanitation activities	6 th April-2021	6 th October, 2022	Consultancy service in progress
4.	KE-WAJWASCO-80986-CS-QCBS /Consultancy services for supporting development of sanitation & hygiene framework documents – Development of policy documents for the department of Health	20 th Dec-2020.	30 th April 2022	Consultancy service in progress
5.	KE-WAJWASCO-80857-NC-RFB /Capacity Building in community LED-Total sanitation- Training of public health staff on open defecation verification.	23-Sept-2020	23-Dec-2021	Consultancy service in progress
6.	KE-WAJWASCO-179682-CS-QCBS /Development and roll-out of sanitation behaviour change communications campaign	26 th March-2021	30 th June 2022	Consultancy service in progress
Works				
1.	KE-WAJWASCO-26664-CW-RFB / Construction of office block and laboratory for WAJWASCO.	15-April-2021	31 st Dec 2021	This project is at completion stage
2.	KE-WAJWASCO-226565-CW-RFB /Drilling of 10 No. boreholes for Lanbib and Rifeit	29 th July,2021	29 th October 2021	Only 5NO. boreholes drilled.
7.	KE-WAJWASCO-220077-CW-RFB /Pilot On-Site Sanitation Facilities (Eco-san and Ablution blocks)	27 th July,2021	30 th September 2022	In progress at 50% complete
8.	KE-WAJWASCO-205491-CW-RFB /Construction of Sanitary Lanes	17 th July,2021	17 th April 2022	Awarded and at Plant mobilisation stage

APPENDIX 2: PROJECT ACTIVITIES PHOTOGRAPHS

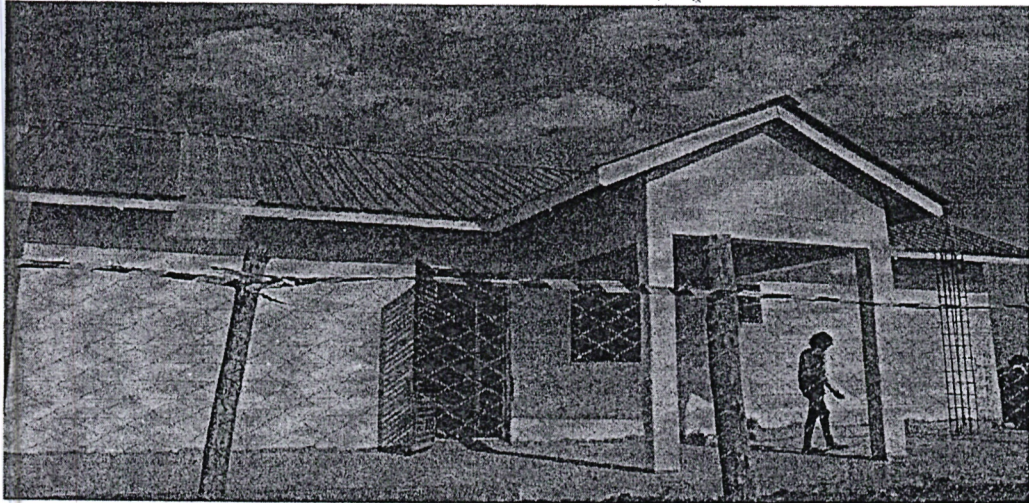




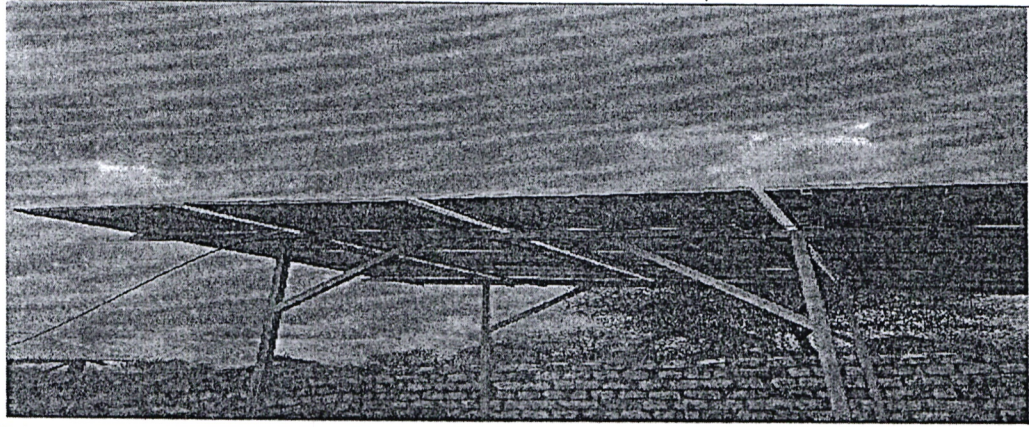
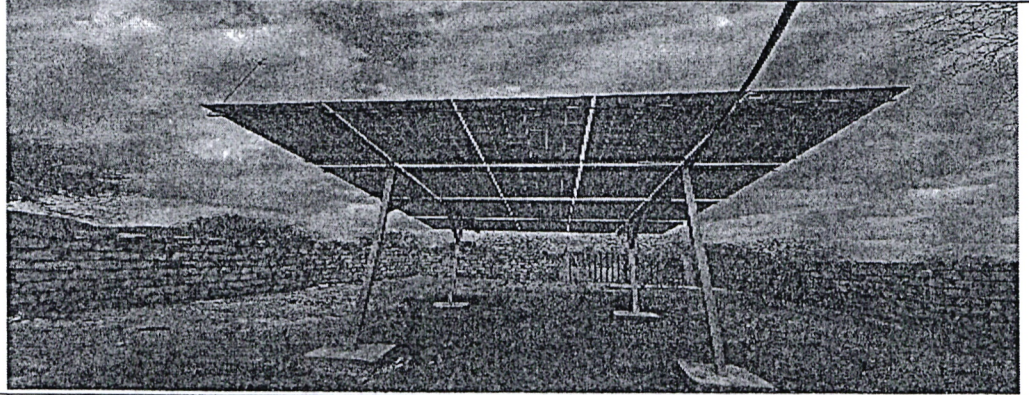
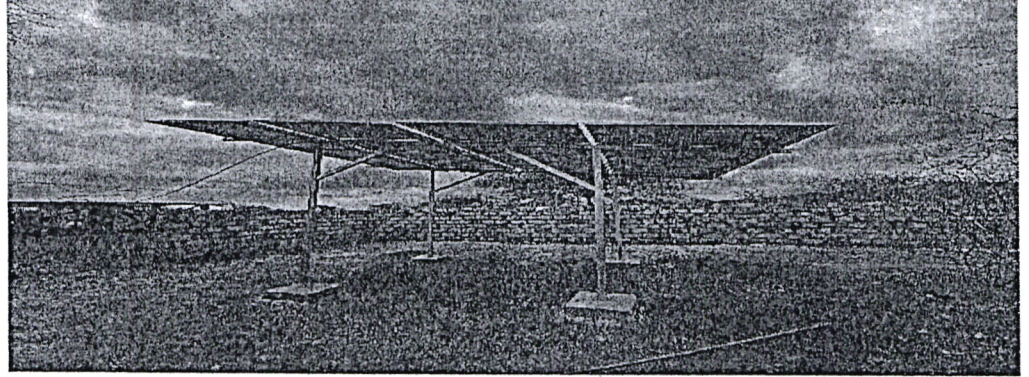
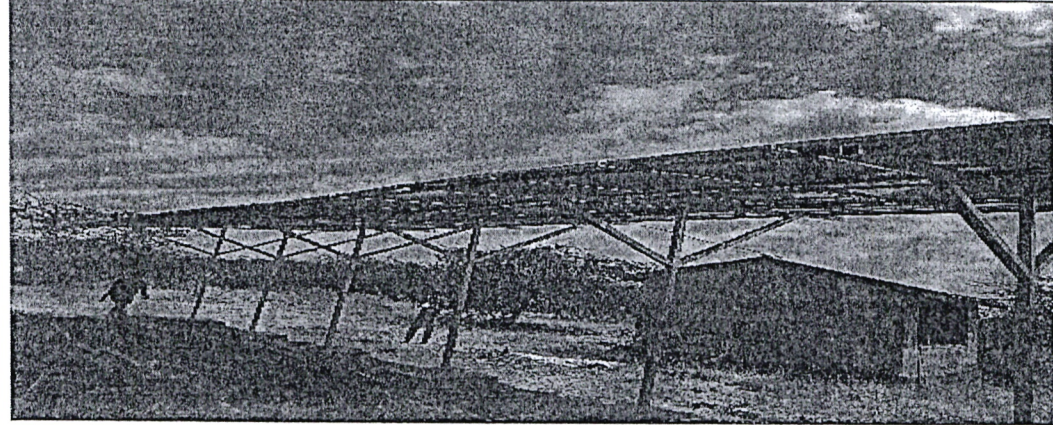
Newly replaced quality doors for on-site Sanitation blocks



On-site sanitation blocks

Eyles Secondary school

	<p>On-site sanitation blocks</p>
	<p>Office block</p>
	<p>Office block</p>

	<p>Installed solar at Lafaley</p>
	<p>Installed solar at Lafaley</p>
	<p>Installed solar at Lafaley</p>
	<p>Installed solar at Baragodey</p>