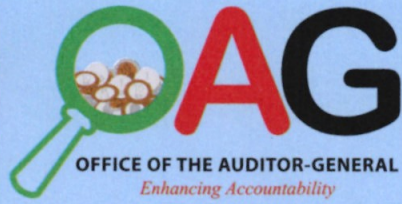


REPUBLIC OF KENYA



# REPORT

PARLIAMENT  
OF KENYA  
LIBRARY

OF

## THE AUDITOR-GENERAL

ON

### DEFUNCT KENYA WATER TOWERS AGENCY

FOR THE YEAR ENDED  
30 JUNE, 2025

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 01 APR 2026

DAY

wed

TABLED  
BY:

Honour Nabuni Wago  
Deputy Majority Whip

CLERK-AT  
TABLE:

Mado Miriam



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DEFUNCT KENYA WATER TOWERS AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

30<sup>TH</sup> JUNE 2025

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**IPSAS Financial Statements/Prepared in accordance with the Accrual Basis of Accounting Method Under International  
Public Sector Accounting Standards (IPSAS)**

DEFUNCT KENYA WATER TOWERS AGENCY

**Defunct Kenya Water Towers Agency  
Annual Report and Financial Statements  
For the year ended June 30, 2025**

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## 1. ACRONYMS AND DEFINITION OF KEY TERMS

### A: Acronyms

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
FAO	Food and Agriculture Organization
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KWTA	Kenya Water Towers Agency
MD	Managing Director
NT	National Treasury
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
TWENDE	Towards Ending Droughts Emergencies

### B: Definition of Key Terms

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organization.

**Comparative Year-** Means the prior period.

## 2. KEY ENTITY INFORMATION AND MANAGEMENT

### (a) BACKGROUND INFORMATION

#### (a) Who We Are

The Kenya Water Towers Agency is a State Corporation under the Ministry of Environment, Climate Change and Forestry. It was established in 2012 vide Kenya Gazette Supplement, Legal Notice No. 27/2012 on 20<sup>th</sup> April, 2012.

#### (b) Our Vision

A Global leader in Sustainable Management of Water Towers.

#### (c) Our Mission

To sustainably manage Water Towers and their Ecosystems through coordination and conservation for socio-economic development.

#### (d) Our Mandate

To co-ordinate and oversee the protection, rehabilitation, conservation, and sustainable management of Water Towers.

#### (e) Core Values

We shall be guided by the following core values, which provide an integrated focus towards enhancing provision of acceptable quality service. They are summarized in an acronym DEPITS.

- Diligence
- Equity
- Professionalism
- Integrity
- Teamwork
- Sustainability

**(f) Strategic Objectives**

- To coordinate water towers ecosystem health and resilience.
- To coordinate and oversee securing of catchment lands, wetlands and critical biodiversity hotspots within the water towers ecosystems.
- To acquire appropriate infrastructure to support sustainable management of water towers.
- To promote sustainable livelihood support programmes within the water towers.
- To establish strategic partnerships and linkages for sustainable management of water towers.
- To undertake institutional strengthening for effective service delivery.

**(b) KEY MANAGEMENT**

The day-to-day management of Kenya Water Towers Agency is entrusted to the following key organs:

- Board of Directors
- Chief Executive Officer
- Directors
- Head of Departments
- Corporation Secretary

**(c) FIDUCIARY MANAGEMENT**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Prof. Julius Gordon Tanui PhD. EBS
2.	Ag. Director Ecosystem Protection Rehabilitation and Conservation	Mr. Molu Wato
3.	Director Ecosystems Research Planning and Audit	Dr. Winfred M Musila
4.	Ag. Director Community Partnership and Sustainable Development	Ms. Susan Boit

No.	Designation	Name
5.	Ag. Director Corporate Services	Mr. Richard Krop, HSC
6.	Ag. Head of Internal Audit	Ms. Lorna Chepkirui
7.	Head of Human Resource and Administration	Ms. Jane Muthoni Mbae
8.	Manager, Finance and Accounts	Mr. CPA Saitoti Sirere
9.	Head of Supply Chain Management	Ms. Brenda Korir
10.	Corporation Secretary	Mr. Robert Mounde Omosa

**(d) FIDUCIARY OVERSIGHT ARRANGEMENTS**

**BOARD OF DIRECTORS**

1. Chairman
2. Rep. Cabinet Secretary – The National Treasury & Economic Planning
3. Rep. Principal Secretary- State Department for Environment and Climate Change
4. Rep. Principal Secretary – State Department for Water and Sanitation
5. Rep. Principal Secretary – State department for Energy
6. Chief Executive Officer

The Board of Directors is responsible for formulating the Agency’s vision, realization of its mission and achievement of strategic objectives in line with the approved strategic plan.

**Board Committees**

The Board has Four (4) Committees with specific delegated authorities. These are the Board Audit Committee, the Board Finance and Resource Mobilization Committee, Human Resource and Corporate Affairs and Technical Committee. The respective Chairpersons present their reports to the Board at each scheduled meeting. The composition of each committee is shown below.

**FINANCE AND RESOURCE MOBILIZATION**

1. Chairperson (Rep. Cabinet Secretary – The National Treasury & Economic Planning
2. Two (2) – Independent Directors
3. Rep. Principal Secretary- – State Department for Energy
4. Rep. Principal Secretary- State Department for Environment and Climate Change
5. Rep. Inspectorate of State Corporations

The main function of the Finance and Resource Mobilization Committee is review, oversee the creation of accurate, complete, timely and meaningful financial statements for presentation to the Board for approval and oversee the Agency's financial management including the quarterly and annual plans, budgets, work plans and reports.

#### **AUDIT COMMITTEE**

1. Chairperson – Independent Director
2. Two (2) Independent Directors
3. Rep. Cabinet Secretary – The National Treasury & Economic Planning
4. Rep. ISC

The Audit committee has the responsibilities of ensuring existence of requisite financial reporting processes, strong systems of internal controls, risk management and efficient operational activities carried out under existing Government laws and regulations for the Agency to achieve its objectives.

#### **TECHNICAL & STRATEGY COMMITTEE**

1. Chairperson – Independent Director
2. Rep. Principal Secretary- – State Department for Energy
3. Rep. Principal Secretary – State Department for Water and Sanitation
4. Rep. Principal Secretary- State Department for Environment and Climate Change
5. Rep. ISC

The technical Committee responsible for ensuring; policy oversight, operational and legal compliance, advising the Board on proposed subsidiary legislation, effective management of water towers, effective organizational structures for water towers areas as well as approvals of technical policies, strategies and system

#### **HUMAN RESOURCE AND CORPORATE AFFAIRS COMMITTEE**

1. Chairperson – Independent Director
2. Three (3) - Independent Directors
3. Rep. Principal Secretary – State Department for Water and Sanitation
4. Rep. ISC

The Human resource and Corporate Affairs Committee is responsible for overseeing HR processes and policies including recruitment and retention, training, learning and development and making recommendations to the Board for approval

The Board of directors was in place for first three months of the Financial year under review and in November, 2024 the Board of Directors was degazetted and deployed to other Government Institutions owing to the cabinet resolve that Kenya Water Towers be dissolve and staffs be absorbed by other Agencies in the Parent Ministry.

**(e) ENTITY HEADQUARTERS**

P.O. Box 42903 – 00100,  
General Post Office,  
N.H.I.F Building 15th Floor,  
Ragati Road, Upper hill,  
Nairobi - Kenya.

**(f) ENTITY CONTACTS**

Telephone: (254) 020 2711437  
E-mail: [info@kwta.go.ke](mailto:info@kwta.go.ke)  
Website: [www.watertowers.go.ke](http://www.watertowers.go.ke)

**(g) ENTITY BANKERS**

**1. National Bank of Kenya**

Hill Plaza Branch  
P.O. Box 45219-00100  
The: +254(0)202722211  
E-mail: [hill@nationalbank.co.ke](mailto:hill@nationalbank.co.ke)  
Website: [www.nationalbank.co.ke](http://www.nationalbank.co.ke)

**2. Kenya Commercial Bank**

Capital Hill Branch  
P.O. Box 69695-00400  
Tel: +254-20-2737103/2720208/2720207  
Fax: +254-20-2737107

E-mail: [capitalhill@kcb.co.ke](mailto:capitalhill@kcb.co.ke)

Website: [www.kcbbankgroup.com](http://www.kcbbankgroup.com)

**(h) INDEPENDENT AUDITORS**

Auditor-General

Office of the Auditor-General

Anniversary Towers, University Way

P.O. Box 30084 - 00100

Nairobi, Kenya

**(i) Principal Legal Adviser**

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

### 3. THE BOARD OF DIRECTORS



**Hon. Rashid M. Echesa**  
Chairperson, Kenya Water  
Towers Agency Board

(From May 2023 to  
November, 2024)

Hon. Rashid Mohammed Echesa was appointed by His Excellence the President to be the Chairperson of The Kenya Water Towers Agency Board for a period of three (3) years effective the 19<sup>th</sup> May 2023 through a Gazette Notice No. 6282.

He holds a Diploma in Business Administration from Regional Curriculum Management College. Currently pursuing a Bachelor's Degree in Business Administration.

In 2006- 2007, the late, President Kibaki appointed Hon. Echesa the Western Region Coordinator of Party of National Unity (PNU) a time when it was very unpopular.

His performance was exemplary considering that it was Orange Democratic Party (ODM) which was very popular in Western Kenya.

In 2009-2010, he joined ODM on whose ticket he vied as Youth President and won the elections. He remained in ODM until 2014 after which he joined Jubilee Party. In 2017, he vied for Mumias West Parliamentary seat on Jubilee ticket and against all odds became the second.

In 2018-2019, he was appointed Cabinet Secretary Sports Heritage and Culture by the retired, President Uhuru Kenyatta Muigai.

Through his good leadership, he championed for the return of World Safari Rally after an eighteen (18) - year hiatus. Other major achievements made throughout his span of career, was bringing the World under 20 Athletics to Nairobi Kenya, taking Harambee Stars to AFCON which was held in Egypt and pushing a Sports (Amendment) Bill 2018 through parliament to give the Sports Ministry a Fund. He left the Ministry with a healthy fund of KES.18 billion. After his exit from the Ministry of Sports, he went back to manage his private business (Company Oust and Aust International).

	<p>Upon his appointment, the Chairman has picked up the job with a lot of vibrance and hopes to leave a mark considering his track record everywhere he has worked.</p>
 <p><b>Prof. Julius G. Tanui, PhD,  EBS  Chief Executive Officer  From August 2022 to August,  2025</b></p>	<p>Prof. Tanui has over twenty years’ experience in Environmental Geo-information and Sustainable Development. He holds a PhD from Nelson Mandela Metropolitan University, South Africa, whose research was “Towards Community Environmental Education using current Institutional Resources, GIS and Remote sensing, and local knowledge: A case of the Nandi Hills and Nandi Forests, Western Kenya.”</p> <p>He has worked at the Kenya Institute of Surveying and Mapping - Teaching in the field of Thematic Cartography and Computer Mapping, Geographic Information System (GIS) and Geography, as a Senior Lecturer and Associate Professor of Moi University offering lectures in the area of Environmental Education, Environmental Planning Research, Geographical Information Systems (G.I.S) Environmental Information System (E.I.S), Environmental Modelling and System Analysis.</p> <p>He has also served as Moi University Director, International Programmes&amp; Linkages, Moi University Development Unit (MUDU) Project Leader-Centre of Excellence in Education Research Methodologies in East and South Africa (CERM-ESA) which include; Oldenburg University – Germany, Nelson Mandela Metropolitan University South Africa, Uganda Management Institute, Dar-es-salaam University and Moi University. He has published twenty-three refereed articles in acclaimed Journals with a bias on Environment and Conservation of Forests and Water Catchment areas, presented papers in professional conferences, undertaken various researches, and supervised doctorate, master’s and bachelor’s degree students undergoing research.</p>

He coordinated the writing of a project proposal that attracted DAAD funding of over 3.5 billion Euros, which established the Centre of Excellence in Education and Research Methods at Moi University in collaboration with Nelson Mandela Metropolitan University-South Africa, Oldenburg University-Germany, Dares Salaam University-Tanzania and Uganda Institute of Management, Uganda. As Director of International Programmes, he established collaborations between Moi University with other universities like University of Haifa and Hebrew University of Jerusalem both in Israel, University of Tennessee at Chattanooga and Alexandria University Egypt.

He joined the Agency on 1st November, 2016 as Director for Partnerships, Business Development & Community Livelihoods and subsequently as acting Director General from January, 2018 to date. He has a passion for sustainable management of water towers as an enabler of the Big Four National Development Agenda. He has spearheaded successful resource mobilization towards conservation of water towers. He is also a recipient of the Head of State commendation as Elder of Burning Spear (EBS) and Moran of the Burning Spear (MBS) because of his innovation of Heuristic Model in Natural Resource Management, Peace Initiatives in the Diocese of Eldoret with the Late Bishop Cornelius K. Korir and distinguished service at Kenya Water Towers Agency.

 <p><b>Mr. John Elungata, EBS</b> From: May 2023 to November 2024</p>	<p>Mr John Elungata represents the Principal Secretary, Ministry of Environment, Climate Change and Forestry. He holds a Bachelor's of Science in Forestry from the University of Nairobi and Masters in Community studies and networking from Chuka University. He also attended the Senior Leadership Development programme from Kenya School of Government, Kabete.</p> <p>Mr John Elungata has vast experience in the Public Sector including regional commissioner at regional level in the National police service and he currently holds the position of Secretary Administrations in the Ministry of Environment, Climate Change and Forestry. He is also Member of the Kenya Association of Public Administration and Management. Mr John Elungata brings on board a wealth of experience and knowledge to the Board of Kenya Water Towers Agency.</p>
 <p><b>Mr. Dan K. Marangu</b> From May 2023 to November 2024</p>	<p>Mr. Dan K. Marangu represents the Principal Secretary, State Department of Energy in the Ministry of Energy and Petroleum. He holds a Bachelor's of Science in Botany and Zoology from the University of Nairobi and Masters in Geoinformation for Natural Resources Management from (ITC, Netherlands). Mr. Marangu has vast experience in the Public Sector and currently holds the position of Director, Renewable Energy in the State Department of Energy.</p>



**Mr. David Bosuben**

From February 2023 to  
November, 2024

Mr. David Bosuben is the alternate Director to Principal Secretary, State Department for Water and Sanitation. He has over 30 years in the Water Resources sub-sector. He holds a Master of Science degree from UNESCO IHE Delft Institute, the Netherlands in Water Management with specialization in transboundary water resources conflict management; he also has a Postgraduate Diploma in Shared Water Resources from Cairo University, Arab Republic of Egypt and a Bachelor of Science degree from University of Nairobi.

He has special interests in watershed hydrology and in particular how that relates to water flows and how the same can be safely harnessed to support socioeconomic development for basin communities in the face of climate change and other anthropogenic influence.

He comes to the Kenya Water Towers Agency Board with a wealth of experience in water resources management and development including hands on experience in policy development and implementation.



**Mr. Orumoi T. Jonah**

**From January 2024 to  
November 2024**

FACCA Orumoi Taju Jonah, is the Ag. Director of Public Investment Management at the National treasury.

He is a dedicated Financial and investment professional with over 17years' experience in the Public and the private sector. He has been involved in critical government reforms and projects in the country.

He is currently the Acting Director Pubic Investment management in the national treasury and prior to this he was the CEO of tourism finance corporation where he led the organization to be among the best improved development financial institutions. He worked previous in as Head of finance & ICT in Kenya tourism board, G4S Kenya, Thurrock council in London among other companies. He has held various chairmanship and Board membership positions in varied organization. He is a graduate of MSc Finance and investment from Queen Mary university of London, BA (Hons) Accounting and finance from East London university, Fellow of the Association of chartered certified accountants (ACCA)UK, and an alumnus of Moi High school Kabarak.

He is well trained in various areas of expertise having attended Strategic leadership, Investment and Development program, accounting officers' course from KSG, Corporate governance courses, Public private partnership course from south Africa, held position of trustee in various pensions funds.

#### 4. MANAGEMENT TEAM



**Prof. Julius Gordon  
Tanui, PhD, EBS**  
Chief Executive Officer  
From August 2022 to August,  
2025

Prof. Tanui has over twenty years' experience in Environmental Geo-information and Sustainable Development. He holds a PhD from Nelson Mandela Metropolitan University, South Africa, whose research was "Towards Community Environmental Education using current Institutional Resources, GIS and Remote sensing, and local knowledge: A case of the Nandi Hills and Nandi Forests, Western Kenya."

He has worked at the Kenya Institute of Surveying and Mapping - Teaching in the field of Thematic Cartography and Computer Mapping, Geographic Information System (GIS) and Geography, as a Senior Lecturer and Associate Professor of Moi University offering lectures in the area of Environmental Education, Environmental Planning Research, Geographical Information Systems (G.I.S) Environmental Information System (E.I.S), Environmental Modelling and System Analysis.

He has also served as Moi University Director, International Programmes & Linkages, Moi University Development Unit (MUDU) Project Leader-Centre of Excellence in Education Research Methodologies in East and South Africa (CERM-ESA) which include; Oldenburg University – Germany, Nelson Mandela Metropolitan University South Africa, Uganda Management Institute, Dar-es-salaam University and Moi University. He has published twenty-three refereed articles in acclaimed Journals with a bias on Environment and Conservation of Forests and Water Catchment areas, presented papers in professional conferences, undertaken various researches, and supervised doctorate, master's and bachelor's degree students undergoing research.

He coordinated the writing of a project proposal that attracted DAAD funding of over 3.5 billion Euros which established the

Centre of Excellence in Education and Research Methods at Moi University in collaboration with Nelson Mandela Metropolitan University-South Africa, Oldenburg University-Germany, Dares Salaam University-Tanzania and Uganda Institute of Management, Uganda. As Director of International Programmes, he established collaborations between Moi University with other universities like University of Haifa and Hebrew University of Jerusalem both in Israel, University of Tennessee at Chattanooga and Alexandria University Egypt.

He joined the Agency on 1st November, 2016 as Director for Partnerships, Business Development & Community Livelihoods and subsequently as acting Director General from January, 2018 to date. He has a passion for sustainable management of water towers as an enabler of the Big Four National Development Agenda. He has spearheaded successful resource mobilization towards conservation of water towers. He is also a recipient of the Head of State commendation as Elder of Burning Spear (EBS) and Moran of the Burning Spear (MBS) on account of his innovation of Heuristic Model in Natural Resource Management, Peace Initiatives in the Diocese of Eldoret with the Late Bishop Cornelius K. Korir and distinguished service at Kenya Water Towers Agency.



**Mr. Molu Wato**  
Ag. Director Ecosystem  
Protection, Rehabilitation

Mr. Molu Wato is the Acting Director for Ecosystem Protection, Rehabilitation and Conservation. He joined the Agency on 5<sup>th</sup> February, 2018. Mr. Molu has a vast experience spanning the Public Service and Civil Society Organization with over 17 years. He holds Masters Degree in Environmental Studies (Climate Change and Sustainability) from Kenyatta University and a Bachelor of Science in Wildlife Management from Moi University and currently a PhD Candidate in Environmental Policy at the University of Nairobi, Centre for Advanced Studies in Environmental Law and Policy (CASELAP). He has as attended several skill enhancement and

<p>and Conservation</p> <p>Deployed to State Department of Environment and Climate change in June, 2025</p>	<p>management courses like Senior Management and Strategic Leadership at Kenya School of Government. He is a Lead Expert on Environmental Impact Assessment and Audit and a Member of Environmental Institute of Kenya.</p>
 <p><b>Dr. Winfred M. Musila, PhD</b> Director Ecosystems Assessment Planning and Audit Deployed to KEFRI in February, 2025</p>	<p>Dr. Winfred Musila is in charge of Ecosystem Assessment, Planning and Audit Directorate. She joined the Agency on 1st November 2016. She is an environmentalist/ecologist and holds a PhD in Forest Ecology from University of Hohenheim, Germany, M.Phil in Environmental Science from Moi University and a BSc in Botany and Zoology from Egerton University. She has over fifteen years' experience in ecological research, natural resource management, community mobilization, capacity building, project management and stakeholder engagements. She is a member of Tropical Biology Association, African Forest Forum (AFF), Nature Kenya (East African Natural History Society), Forestry Society of Kenya and the Kenya Forest Working Group.</p>
 <p><b>Ms Susan Boit</b> Ag. Director Community Partnerships and Sustainable Livelihoods Deployed to KFS in February, 2025</p>	<p>Ms Susan Boit is in charge of Community Livelihood. She joined the Agency on 1st October 2013. She holds a master's degree in Food Science at the university of Reading United Kingdom as well as a bachelor's degree in Home Economics from Kenyatta University with a working experience of over twenty years in the field.</p>



**Mr Richard Krop**  
Ag Director Corporate  
Services  
Deployed to KFS in  
February, 2025

Mr. Richard Krop is the Ag. Head of Corporate Services. He is also overseeing the Directorate of Planning Strategy and Quality Assurance Mr. Krop has extensive expertise and experience in program management, strategic partnerships, strategy, monitoring & evaluation, peace building & conflict management, sports development and resource mobilization garnered in the past 15 years having worked with Civil Society Organizations and most recently in Government Agencies.

Mr. Krop is pursuing a PhD in Entrepreneurship and Small Business Development, a holder of MBA Strategic Management and BA Commerce, Human Resources Option from the University of Nairobi. He is a member of Institute of Human Resource Management (IHRM) and Kenya Institute of Management (KIM)



**Lorna Chepkirui**  
Ag. Head of Internal Audit.  
Deployed to KFS in February,  
2025

Lorna Chepkirui is the Ag. Head of Internal Audit. She is overseeing the Department of Internal Audit. Lorna is a self-motivated and meticulous internal auditor with over 8 years working experience in the public and private sector. She has extensive expertise and experience in performing comprehensive internal auditing operations, combined with inherent leadership, interpersonal, and organizational skills.

Ms Lorna is pursuing an MBA in Information Systems at the University of Nairobi, a holder of a Bachelor of Arts Degree (Economics and Communication) also from the University of Nairobi and a Certified Accountant of Kenya (CPAK). She is a member of Institute of Certified Accountants of Kenya (ICPAK) and the Institute of Internal Auditors, Kenya (IIAK).



**Ms. Jane Muthoni Mbae**  
Head of Human Resource  
and Administration  
Deployed to KEFRI in  
February, 2025

Ms. Jane Muthoni Mbae is the Head of Human Resource and Administration Department at the Agency. She joined the Agency in October, 2020 bringing a wealth of knowledge and experience in Human Resource and Administration. She has over nineteen (19) years from both the public and private sector. She holds a Master Degree in Business Management (Human Resource Management) from Kenyatta University, Bachelors in Business Administration (Human Resource Management) and Diploma in Business Management from Kenya Methodist University. She is a Certified Human Resource Professional (CHRP-K) as well as a member of the Institute of Human Resource Management in Good Standing.



**Mr. Saitoti Sirere**  
Head of Finance and  
Accounts  
Deployed to NEMA in June,  
2025

Mr Saitoti Sirere is the Head of Finance and Accounts with effect from 1st October, 2018. He has over twelve (12) years' experience in both public and private sectors. He holds a master of Science in Finance from the University of Nairobi, Bachelors in Business Administration (Accounting & Finance) and certificate on Budgeting and Financial Management in the Public Sector from Duke centre for International Development, Duke University (North Carolina). He is also a Certified Public Accountant of Kenya - CPA (K) as well as a member (In Good Standing) with the Institute of Certified Public Accountants of Kenya (ICPAK).



**Ms. Brenda Korir**  
Head of Supply Chain  
Management  
Deployed to NETFUND in  
June, 2025

Ms. Brenda Korir is the Head of Supply Chain Management She joined the Agency on 14th June, 2022. She has over Ten (10) years' experience in both Public and Private sector. She holds a Master Degree in Business Administration (Purchasing and Supplies Management option) from The University of Nairobi, a Post-Graduate Diploma in Purchasing and Supplies from Kenya Institute of Management and Bachelor's degree in Education (Arts) from Kenyatta University.

She is Certified Procurement and Supply Professional (CPSP), a Licensed Supplies Practitioner and Full Member of Kenya Institute of Supplies Management (KISM) among other qualifications.

## **5. PRINCIPAL SECRETARY'S STATEMENT**

Protection of Kenya's Water Basins/Towers is a critical area within the Environment Sub Sector because of its contribution to National, Regional and International Development Agenda. Over the years the Agency has helped the Country to identify, protect and manage Kenya's wetland areas which are sources of rivers, streams contributing as source of livelihoods for humans and wildlife. The protection of wetlands continues to be a Government priority in enhancing environmental protection to mitigate adverse effects of climate change. In the Medium-Term Plan IV, Bottom Up Economic Transformation Agenda (BETA) the sub sector focus on environment and climate change with a commitment to reduce emissions by 32% by 2030 with key issues being Climate Change, impact mitigation, adaptation and resilience, Kenya Water Towers has played a critical role towards this.

While we celebrate the achievements by the Agency, we've to be cognisant of the wide Government plan to have a lean and efficient Government owned Agencies. By an operation of the Cabinet resolve to merge different entities, Kenya Water Towers was requested to wind up her operations and have the staffs deployed within other Agencies in the Ministry.

I'm pleased to report that during this transition period all staffs were deployed efficiently to other Agencies and no staff was laid off. The Assets and Liabilities (if any) has been taken over by the Ministry as at 30 June 2025. The Cabinet Secretary continues to support the Agencies that absorbed the staffs from Kenya Water Towers with budgetary allocations.

I thank the Presidency and the Ministry of Environment, Climate Change and Forestry for the support offered towards conservation of water towers as well as flexible deployment and consideration of all personnel of the Agency to other Agencies within the Parent Ministry.



**Dr. Eng. Festus K. Ng'eno, MIEK, CBS**  
**Principal Secretary**

**State Department of Environment and Climate Change**

## 6. REPORT OF THE CHIEF EXECUTIVE OFFICER

Kenya Water Towers Agency is committed in fulfilling its mandate to ensure water towers in the country are conserved and protected. In the FY 2024/2025, the Agency by implementing the directive of the Cabinet to wind up her operations at the beginning of the financial Year, the Agency deployed staffs to other Agencies in the Ministry. The Chief Executive Officer assisted by Finance Manager Accounts were requested to facilitate seamless transition by coordinating a budget to pay salaries and allowance to the deployed staff up to 30 June, 2025. The team was also supposed to ensure a comprehensive list of Assets and Liabilities is prepared and handed over to the Ministry. The team led by the CEO managed to execute the duties and required as at 30 June, 2025.

I am pleased to present the financial results of the Agency for the financial period ended on 30th June 2025. The agency received Kshs. 256,000,000 from GOK for recurrent vote against the approved estimates of Kshs 256,000,000 for Recurrent expenditure.

In conclusion, I appreciate the support from the Parent Ministry and guidance of the Transition Team during the year under review. I further take this opportunity to wish all the staffs deployed in various Agencies within the Ministry well in their new assignments.

## **7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2024/2025**

We believe in good corporate governance as an organization. The Board provides leadership through oversight, review and guidance whilst setting the strategic direction. It is the primary decision-making body for all matters considered as material to the Agency. The Board has the appropriate mix of skills, knowledge and experience to perform its role effectively.

Previously in the previous Financial Years the Board meetings are held quarterly but due to dissolution of the Agencies by the Parent Ministry no Board meeting were held during the Financial Year under review.

### **General Responsibilities**

The Board has a duty to the people of Kenya to ensure that the KWTA achieves its objectives efficiently and effectively and in compliance with the Legal Notice No 27 of 2012. Statutory powers of the KWTA Board include:

- Approve and ratify the policies of the Agency.
- Manage, control and administer the assets of the Agency in such manner and for such purposes as are best to promote the purposes for which the Agency is established.
- Receive any gifts, grants, donations or endowments made to the Agency.
- Determine the provisions to be made for capital and recurrent expenditure and for the reserves of the Agency.
- Approve the Performance Contract and annual budgets and work plans for the Agency.
- Open a banking account or banking accounts for the funds of the Agency.
- Determine and issue the terms and conditions for the appointment and enlistment of personnel to the Agency.
- Co-operate with other organizations undertaking functions similar to the Agency's whether within Kenya or otherwise.

In working to meet its obligations, the Board shall focus on matters of corporate governance, ensure that personal and private interest are put aside for the good of the Agency, and delegate matters of management to staff.

### **Specific Responsibilities**

Given the powers afforded above and taking into consideration matters of corporate governance, the KWTA Board will execute the following specific responsibilities:

- Determine a clear statement of KWTA's vision, mission, purpose and values.
- Make recommendations for appointment of the Chief Executive Officer
- Monitor and appraise the performance of the Chief Executive Officer
- Appoint and appraise other senior managers
- Ensure accountability through quality management systems
- Ensure adequate strategic planning
- Ensure adequate operational planning
- Ensure KWTA has adequate financial resources
- Ensure adequate financial reporting
- Ensure adequate standards of internal controls
- Performance Contracting
- Ensure Efficient Performance of Regional Offices
- Approve staff employment policies and practices.
- Assess corporate performance through external evaluations.
- Manage, protect and enhance KWTA's reputation.
- Ensure an efficient and effective functioning Board.

Except for direction and guidance on general policy, the Board has delegated the authority for the conduct of day-to-day business to the Chief Executive Officer and the Management.

### **Directors' remuneration**

The remuneration of all directors is subject to regular review to ensure that levels of remuneration and compensation are appropriate as provided for by law. The directors are paid a sitting allowance for meetings attended.

### **Internal Controls**

The Agency has in place a system of internal controls with defined procedures, financial and operational controls to ensure that resources are safeguarded; transactions authorized, validated and reported in line with International Financial Reporting Standards.

### **Board Committees**

The Board has Four Committees with specific delegated authorities. These are the Board Committee, the Board Finance and Resource Mobilization committee, Human Resource and Corporate Affairs and the Technical and Strategy committee. The respective Chairpersons present their reports to the Board at each scheduled meeting. All directors are subject to a three-year term renewable once (for independent members appointed by name in accordance with the Legal Notice. On first appointment, the directors go through an induction program covering the organization's operations and an appreciation of the key risk areas. The directors are advised of the legal, regulatory and other obligations of a director of a listed company on an ongoing basis. The directors also receive both internal and external training on corporate governance through a comprehensive training by the Centre for corporate governance.

### **Conflicts of interest**

The directors are under a duty to avoid conflicts of interest. This entails not engaging, directly or indirectly in any business that competes or conflicts with the Agency's business. The Agency has established a robust process requiring directors to disclose outside business interests before they are entered into. Any potential or actual conflicts of interest are reported to the Chief Executive Officer.

### **Compliance**

The Agency did not receive adequate resources during the Financial year 2024/2025 to enable to continue operating as going concern basis due to decision reach to dissolve the Agency by degazetment of Board of Directors in November, 2024 and thereafter distributions of Agency's assets and deployment of the Agency's personnel to Agencies within the Parent Ministry when preparing the financial statements.. A further disclosure on dissolution of the Agency is set out in the Directors statement of responsibilities and notes to the financial statements.

## 8. CORPORATE GOVERNANCE

The Kenya Water Towers Agency (KWTA) remained committed to the principles of good corporate governance throughout the period under review, up to the conclusion of its mandate following the Government's decision to dissolve the Agency in December 2024. This statement outlines the governance framework, structures, and practices that guided KWTA's operations during the year ended 30th June 2025, including activities related to its transition and winding-up process.

The Agency upheld the core values of integrity, accountability, transparency, stewardship, and sustainability in managing the country's water towers and coordinating conservation efforts in collaboration with national and county institutions, communities, and development partners.

## 9. MANAGEMENT DISCUSSION AND ANALYSIS

### The entity's operational and financial performance

In the Financial Year 2024/2025, the Agency has implemented the following programs under the development vote:

#### SUB-PROGRAMME: WATER TOWERS CONSERVATION AND MANAGEMENT

##### Mitigation and management of Soil Loss

Mitigating and managing soil loss/ erosion will improve the quantity and quality of water, upon which universal health care on clean and safe water, food & nutrition security through provision of sufficient water for agriculture and industrialization, manufacturing and agro-processing - water for H.E.P are dependent on.

**Objective;** the project aims at improving Water Towers Ecosystem Health and resilience by mitigating and sustainably managing soil loss to increase the quality and quantity of water towers resources

##### Key Achievements for the Financial Year 2024/2025

- Maintenance and monitoring of the 30km Maasai Mau Fence

**Defunct Kenya Water Towers Agency**  
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**for the year ended June 30, 2025**

The approved budget for financial year 2024/2025 is as follows:

	Printed Estimates Recurrent /Development Budget FY 2024/2025
Approved Recurrent Budget FY 2024/2025	Grants: - 256,000,000
Approved Development Budget 2024/2025	Grants: - 0

The total Disbursements received are tabulated below:

**1. RECURRENT VOTE**

DATE	AMOUNT
12 <sup>th</sup> Septemeber, 2024	52,000,000
6 <sup>th</sup> November, 2024	52,000,000
12 <sup>th</sup> February, 2025	52,000,000
7 <sup>th</sup> April, 2025	52,000,000
7 <sup>th</sup> July, 2025	48,000,000
<b>Total</b>	<b>256,000,000</b>

**2. DEVELOPMENT VOTE**

DATE	AMOUNT
-	0

### Major risks facing the entity

- Delay in receiving exchequer releases from the National Treasury
- Inadequate Funding
- Climate change impact (Floods, Drought)
- Fires
- Legal Risk
- Going Concern issues-the Agency was dissolved in 30<sup>th</sup> June, 2025

### The entity's financial probity and serious governance issues

The Agency is not faced with any major financial improbity by internal audit/Board audit committee, external auditors, or other National Government Agencies providing oversight; neither does it have any governance issues or conflict of interest.

### Entity's compliance with statutory requirements

The Agency is fully compliant with Statutory requirement in remitting all statutory deduction and taxes. It also pays all its bills on a timely basis. The Agency is therefore not exposed to any contingent liabilities.

## 10. STATEMENT OF DIRECTORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 requires an Accounting Officer for a National Government owned Entity to prepare the Annual Financial Statements for the financial year in respect of the entity.

In preparing Financial Statements for a National Government Entity, the Accounting Officer shall ensure that the report:

- (a) Contains information on the financial and non-financial performance of the entity
- (b) Is in a form that complies with the standards prescribed and published by the Public

Sector Accounting Standards Board of Kenya from time to time.

In addition, not later than Three Months after the end of each financial year, the Accounting Officer shall submit the entity's Financial Statements to the Auditor General and a copy of statement to the Controller of Budgets, the National Treasury and the Commission on Revenue Allocation. In the case of an entity that is a state corporation, the Accounting Officer for the corporation shall submit the Annual Report to the Cabinet Secretary responsible for the corporation who shall, upon approving it, forward a copy to the Cabinet Secretary.

In line with Cabinet Decision to rationalise State Agencies with overlapping/or duplicate mandates, the Ministry wound down the Agency. The Closure was occasioned by the Expiry of Legal Notice Number 27 of 2012, which established the Agency, leading to the degazettement of the Board of Directors and deployment of personnel and other assets to other state agencies within the Parent Ministry.

### Approval of the Annual financial statements

The Agency's Annual financial statements have been prepared in accordance with Section 83 of the PFM Act and were signed by:

Dr. Eng. Festus K. Ng'eno, MIEK, CBS  
Principal Secretary  
State Department for Environment &  
Climate Change

CPA Saitoti Sirere (M/No: 8419)  
Head of Finance and Accounts  
Kenya Water Towers Agency

Signature:.....

Date: 30.10.2025

Signature: .....

Date: 30.10.2025

11. REPORT OF THE AUDITOR-GENERAL FOR THE FINANCIAL STATEMENTS OF KENYA  
WATER TOWERS AGENCY

# 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 DEFUNCT KENYA WATER TOWERS AGENCY FOR THE YEAR ENDED 30 JUNE, 2025**

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### **PREAMBLE**

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Defunct Kenya Water Towers Agency set out on pages 1 to 34, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in

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*Report of the Auditor-General on Defunct Kenya Water Towers Agency for the year ended 30 June, 2025*

net assets, 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 have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Defunct Kenya Water Towers Agency as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Failure to Provide Acknowledgement Letters for Furniture and Fittings and Computers Transferred to Other Corporations**

The statement of financial position reflects property, plant and equipment net book value of Kshs.25,635,347 as disclosed in Note 20 to the financial statements. Included in the balance is Kshs.9,495,645 and Kshs.3,153,749 relating to furniture and fittings and computers respectively, which were handed over to other state corporations at the time of audit in October, 2025 as per the distribution list by the Defunct Kenya Water Towers Agency Management. However, Management did not provide a copy of acknowledgement from the State Corporations as prove of receipts of the assets.

In the circumstances, the accuracy, valuation and completeness of the property, plant and equipment net book value of Kshs.25,635,347 could not be confirmed.

#### **2. Variances in the Financial Statements and Notes**

The statement of financial performance reflects finance costs amount of Kshs.609,047 while the corresponding Note 15 to the financial statements reflect an amount of Kshs.603,472 resulting in unexplained variance of Kshs.5,575.

Further, the statement of financial position reflects property, plant and equipment net book value of Kshs.25,635,347 while the corresponding Note 20 to the financial statements reflect net book value of 25,631,782 resulting in unexplained balance of Kshs.3,566

In the circumstances, the accuracy and completeness of finance cost amount of Kshs.609,047 and property, plant and equipment net book value of Kshs.25,635,347 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Defunct Kenya Water Towers Agency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe

that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on comparable basis of Kshs.314,156,930 and Kshs.314,569,102 respectively resulting in an over-funding of Kshs.412,845. Similarly, the Agency spent Kshs.357,414,859 against actual receipts of Kshs.314,156,930 resulting in over-expenditure of Kshs. 42,845,757 or 114% of the actual receipts. No approval for the over-expenditure was provided for audit

The over-absorption may have been caused by under budgeting which casts doubt on the accuracy of the budget making process.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no key audit matters to communicate in my report.

### **Other Matter**

#### **Unresolved Prior Year Audit Issues**

In the prior years' audit reports, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources

Review of the status during audit of the Agency in 2024/2025 revealed that the following matters remained unresolved.

	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Long Outstanding Trade and other Payables
2	2023/2024	Undisclosed Bank Balance
3	2023/2024	Lack of Ownership Documents for 6 motor Vehicles
4	2023/2024	Staff Earning Less than a Third of Basic Pay
5	2023/2024	Officers in Acting Capacity for Over Six (6) Months
6	2023/2024	Irregular Continued Operation of Joint Enforcement Unit (JEU)
7	2023/2024	Presentation and Disclosure Errors in the Financial Statements

## **Other Information**

Board of Directors is responsible for the Other Information set out on page iii to xxx which comprise of Key Entity Information and Management, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and the Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Agency's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Non-Disclosure of Climate Change Expenses**

The Agency is an entity under the environment sector with a vision, mission and mandate to manage water towers and ecosystem. However, during the year under review, the Agency did not comply by disclosing the amount spent on climate change separately. This was contrary to The National Treasury Guidelines Ref NAG.3/88 Vol VII (41) dated 4<sup>th</sup> December, 2024 clause 32 on Climate Finance Expenditure Reporting which requires disclosure on climate finance expenditure to strengthen efficiency and effectiveness of climate finance flows.

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

#### **2. Non-Compliance with Public Procurement Capacity Building Levy**

Review of records reveals that the Agency entered into contracts but no documentary evidence has been provided to confirm that the entity complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a

procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20<sup>th</sup> day of the subsequent month and also file monthly returns.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and Board of Directors**

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

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

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

15 December, 2025

**12. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025**

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Public contributions and donations – GOK Grant	6 (a)	256,000,000	569,000,000
Transfers from other governments – TWENDE Project	6 (b)	-	20,000,000
Other Income: NSE	6 (c)	63,327	-
Finance income – Interest from Banks	7	948,845	2,791,158
<b>Total revenue</b>		<b>257,012,172</b>	<b>591,791,158</b>
<b>Expenses</b>			
Employee costs	8	260,541,017	271,086,400
Board Expenses	9	160,000	14,830,227
Depreciation and amortization expense	10	7,852,818	7,852,818
Repairs and maintenance	11	778,145	7,439,453
Administrative Expenses	12	62,081,844	134,229,018
Grants and subsidies – Development Expenditure	13 (a)	10,196,861	75,247,752
Grants and subsidies – Donor Projects	13 (b)	966,100	17,270,288
General Operational expenses	14	22,081,845	41,218,367
Finance costs	15	609,047	1,319,632
<b>Total expenses</b>		<b>365,267,677</b>	<b>570,493,955</b>
Surplus/(deficit) for the period/year		<b>(108,255,505)</b>	<b>21,297,203</b>

The notes set out on pages 6 to 32 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

**Dr. Eng.Festus K. Ng'eno, MIEK, CBS**

Principal Secretary

State Department for Environment &  
Climate Change

Signature: .....

Date: 30.10.2025

**CPA Saitoti Sirere (M/No: 8419)**

Head of Finance and Accounts

Kenya Water Towers Agency

Signature: .....

Date: 30.10.2025

**Defunct Kenya Water Towers Agency  
Annual Report and Financial Statements  
for the year ended June 30, 2025**

**13. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025**

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	0	74,819,942
Receivables from exchange transactions - Prepayments	17	0	22,353,614
Receivables from non-exchange transactions	18	362,833	947,091
Inventories	19	2,485,550	1,963,450
<b>Sub-total</b>		<b>2,848,383</b>	<b>100,084,097</b>
<b>Non-current assets</b>			
Property, plant and equipment	20	25,635,347	33,484,600
Intangible assets	21	0	3,567
<b>Sub-total</b>		<b>25,635,347</b>	<b>33,488,167</b>
<b>Total assets</b>		<b>28,483,730</b>	<b>133,572,264</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	22	12,616,110	16,415,163
Deferred income	23	0	0
Employee benefit obligation – Gratuity	24	0	0
<b>Sub-total</b>		<b>12,616,110</b>	<b>16,415,163</b>
<b>Non-current liabilities</b>			
Non-current employee benefit obligation - Gratuity	25	(116,573)	3,254,636
<b>Total liabilities</b>		<b>12,499,537</b>	<b>19,669,798</b>
<b>Net assets</b>		<b>15,984,193</b>	<b>113,902,465</b>
Reserves			
Accumulated surplus/(Deficit)		15,984,193	113,902,465
<b>Total net assets and liabilities</b>		<b>15,984,193</b>	<b>113,902,465</b>

The financial statements were signed on behalf of the Board of Directors by

**Dr. Eng. Festus K. Ng'eno, MIEK, CBS**

Principal Secretary

State Department for Environment &  
Climate Change

Signature: .....

Date: 30.10.2025

**CPA Saitoti Sirere (M/No: 8419)**

Kenya Water Towers Agency

Signature: .....

Date: 30.10.2025

14. STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	notes	Revaluation reserve	Fair value adjustment reserve	Revenue Reserves	Capital/ Development Grants/ Fund	Total
As at June 30, 2024		6,903,579		112,465,479	(5,466,593)	113,902,465
As at 1 <sup>st</sup> July, 2024		6,903,579		112,465,479	(5,466,593)	113,902,465
Revaluation gain		-	-	-	-	-
Transfer of excess depreciation on revaluation		(-)	-	-	-	-
Deferred tax on excess depreciation		-	-	-	-	-
Prior Year Adjustments		-	-	11,781,483	-	11,781,483
Surplus/ deficit for the year		-	-	(108,255,505)	-	(108,255,505)
Return to exchequer		-	-	(1,444,250)	-	(1,444,250)
Transfer of depreciation/amortization from capital fund to retained earnings		-	-	-	(-)	-
As at June 30, 2025		6,903,579		14,547,207	(5,466,593)	15,984,193

*Note:*

- For items that are not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.*
- Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.*

**Defunct Kenya Water Towers Agency**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2025.**

**15. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025**

		2024-2025	2023-2024
	Notes	Kshs	Kshs
<b>Cash flows from operating activities</b>			
Net Operating Surplus for the year		(108,255,505)	21,297,203
Adjustments for; prior year		11,781,483	9,753,166
Depreciation & amortization of Plant, Property and Equipment	10	7,852,818	7,852,818
Cash in transit			
<b>Net Cash flow generated from operating activities before changes in working capital</b>		<b>(88,621,204)</b>	<b>38,903,187</b>
<b>Changes in working capital</b>			
Decrease in Trade and Receivable	18	584,259	(8,200)
Decrease in Trade and other Payables	22	(3,799,053)	(17,180,605)
Decrease in Inventory	19	(522,099)	1,521,550
Increase in Prepayments	17	22,353,614	(256,616)
Increase in gratuity payable	24	(3,371,209)	(7,211,523)
No change in Imprest			
<b>Net cash flows from operating activities</b>		<b>15,245,512</b>	<b>15,767,793</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		0	(12,264,628)
Proceeds from sale of property, plant and Equipment			
<b>Net cash flows used in investing activities</b>		<b>0</b>	<b>(12,264,628)</b>
<b>Cash flows from financing activities</b>			
Refund to Twende		(1,444,250)	
<b>Net cash flows used in financing activities</b>			
Net increase/(decrease) in cash and cash equivalents		(74,819,942)	3,503,165
Cash and cash equivalents at 1 <sup>st</sup> July 2024	16	74,819,942	71,316,777
Cash and cash equivalents at 30 <sup>th</sup> June 2025	16	0	74,819,942

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

**Dr. Eng. Festus K. Ng'eno, MIEK, CBS**

Principal Secretary

State Department of Environment &  
Climate Change

Signature: .....

Date: 30.10.2025

**CPA Saitoti Sirere (M/No: 8419)**

Head of Finance and Accounts

Kenya Water Towers Agency

Signature: .....

Date: 30.10.2025

**Defunct Kenya Water Towers Agency**  
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**16. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	B	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue						
Public contributions and donations	256,000,000	0	256,000,000	256,000,000	0	
Other Income- TWENDE Donor project	0	0	0	0	0	
Other Income:	0.00	0	0	63,327	-63,327	
Finance Income – Interest	600,000	0	600,000	948,845	-348,845	
Bal B/F	57,556,930		57,556,930	57,556,930		
<b>Total income</b>	<b>314,156,930</b>	<b>0</b>	<b>314,156,930</b>	<b>314,569,102</b>	<b>-412,172</b>	
<b>Expenses</b>						
Compensation of employees	260,712,300	0	260,712,300	260,701,017	11,283	100%
Administrative Expenses	28,375,500	0	28,375,500	62,081,844	-33,706,344	219%
General Operational expenses	21,646,650		21,646,650	22,081,845	-435,195	102%
Repairs and maintenance	780,000	0	780,000	778,145	1,855	100%
Finance cost	580,000	0	580,000	609,047	-29,047	105%
Grants - Twende Project	2,500,000	0	2,500,000	966,100	1,533,900	39%
Grants – Development	0	0	0	10,196,861	-10,196,861	
<b>Total expenditure</b>	<b>314,594,450</b>	<b>0</b>	<b>314,594,450</b>	<b>357,414,859</b>	<b>-42,820,409</b>	<b>114%</b>

## **17. NOTES TO THE FINANCIAL STATEMENTS**

### **1. General Information**

The Kenya Water Towers Agency is a State Corporation under the Ministry of Environment, Climate Change and Forestry and established vide legal notice No. 27 of 20<sup>th</sup> April, 2012 pursuant to section 3(1) of State Corporations Act, Cap 446 as state Corporation. KWTA's mandate expired on 24<sup>th</sup> January, 2023 in line with Statutory Act, 2013. Through legal notice of 218 of 2022, the mandate was extended for one year until 24<sup>th</sup> January, 2024.

In line with Cabinet Decision to rationalise State Agencies with overlapping/or duplicate mandates, the Ministry wound down the Agency. The Closure was occasioned by the Expiry of Legal Notice Number 27 of 2012, which established the Agency, leading to the degazettement of the Board of Directors and redeployed to new roles in Government in November, 2024. The Closure activities were undertaken by the Transition Committee established by the parent Ministry, to which the Agency reverted after the Board's dissolution. The personnel and other assets of the Agency were distributed to SAGAS within the Parent Ministry as per the evidence provided to other Audit team.

### **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 Public Sector Accounting Standards (IPSAS) 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 Note 5 of these financial statements.

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2022.

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard. (Entity to state the impact of the amendments to the financial statements)</p>

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

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p>(State the impact of the standard to the entity if relevant)</p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social</p>

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Standard	Effective date and impact:
	<p>benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p> <p>(State the impact of the standard to the entity if relevant)</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>(State the impact of the standard to the entity if relevant)</p>

**iii. Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2021/2022.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a) Revenue recognition**

##### **i) Revenue from non-exchange transactions**

##### **Fees, taxes and fines**

The entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

##### **Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. 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.

##### **Rendering of services**

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

##### **ii) Revenue from exchange transactions**

##### **Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**b) Budget information**

The original budget for FY 2024-2025 was approved by the National Assembly. 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. Accordingly, the entity recorded additional appropriations of nil on the 2023-2024 budget following the governing body's approval.

The entity'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.

**c) Taxes**

**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. 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.

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

### **Summary of Significant Accounting Policies (Continued)**

#### **d) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its costs recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

#### **e) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

#### **f) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no

charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**g) Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**h) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements.

**i) Changes in accounting policies and estimates**

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

**j) Employee benefits**

**Retirement benefit plans**

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or

increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**k) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

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

**Summary of Significant Accounting Policies (Continued)**

**l) Related parties**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

**m) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**n) Comparative figures**

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

**o) 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, 2025.

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Entity's financial statements in conformity with IPSAS 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. State all judgements, estimates and assumptions made: e.g.

**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 consolidated 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. IPSAS 1.140

**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 asset
- e) Changes in the market in relation to the asset

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

**6. Transfers from Other Government Entities**

Description	2024-2025	2023-2024
	KShs	KShs
<b>(a) Unconditional grants</b>		
Operational grant	256,000,000	569,000,000
<b>(b) Other grants-Donor</b>		
Transfers from other governments – TWENDE/FAO	0	20,000,000
<b>Total Unconditional Grants</b>		
<b>Conditional grants</b>		
<b>Total government grants and subsidies</b>	<b>256,000,000</b>	<b>589,000,000</b>

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Description	2024-2025	2023-2024
	KShs	KShs
Other Income		
Other Income –	63,327-	-
<b>Total Other Income</b>	<b>63,327-</b>	<b>-</b>

**b) Transfers from Ministries, Departments and Agencies (MDAs)**

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total transfers 2024/2025
			KShs	KShs
State Department for Environment and Climate Change	256,000,000	-	-	256,000,000
State Department of Livestock & Agriculture	0			0
<b>Total</b>	<b>256,000,000</b>	<b>-</b>	<b>-</b>	<b>256,000,000</b>

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

**7. Finance Income**

Description	2024-2025	2023-2024
	KShs	KShs
Finance Income	948,843	2,791,158
<b>Total Finance Income</b>	<b>948,843</b>	<b>2,791,158</b>

**8. Employee Cost**

	2024-2025	2023-2024
	KShs	KShs
Salaries and wages	156,774,291	166,710,420
Employer contribution to pension schemes	23,310,738	23,090,660
Special Duty and Acting allowances	917,137	3,464,486
Housing benefits and Commuter allowances	61,637,242	65,032,164
Extraneous Allowance	770,000	660,368
Gratuity	6,715,238	6,202,114
Employer contribution to N.S.S.F	4,364,682	2,157,077
Employer contribution to Housing Levy	3,311,988	878,560
Leave Allowance	1,950,000	2,090,000
Responsibility Allowance	720,000	720,000
Employer contribution to N.I.T.A	69,700	80,550
<b>Employee costs</b>	<b>260,541,016</b>	<b>271,086,400</b>

**9. Board Expenses**

Description	2024-2025	2023-2024
	KShs	KShs
Chairman's Honoraria	160,000	960,000
Director's emoluments	-	13,870,227
<b>Total Board Expenses</b>	<b>160,000</b>	<b>14,830,227</b>

**10. Depreciation and Amortization Expense**

Description	2024-2025	2023-2024
	KShs	KShs
Property, plant and equipment	7,852,818	7,852,818
Intangible assets	-	-
<b>Total depreciation and amortization</b>	<b>7,852,818</b>	<b>7,852,818</b>

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**11. Repairs and Maintenance**

Description	2024-2025	2023-2024
	KShs	KShs
Vehicles	778,145	2,075,930
Computers and accessories	-	5,363,523
<b>Total repairs and maintenance</b>	<b>778,145</b>	<b>7,439,453</b>

**12. Administrative Expenses**

Description	2024-2025	2023-2024
	KShs	KShs
Office Rent	20,033,590	20,311,065
Parking Charges	5,790,720	5,813,920
Temporary Committees (JEU)	4,567,400	56,755,286
Group life Insurance	2,628,178	3,504,237
Medical Insurance	21,178,441	28,260,992
Insurance – WIBA	-	1,229,923
Motor Vehicle Insurance	1,754,515	2,993,771
Audit Fees	1,320,000	660,000
Internal Audit Operations	4,809,000	912,000
Recruitment	-	13,240,050
Office Partitioning	-	36,575
Legal Fees	-	511,200
<b>Total administrative expenses</b>	<b>62,081,844</b>	<b>134,229,019</b>

**13. A) Grants and subsidies – Development Expenditure**

Description	2024-2025	2023-2024
	KShs	KShs
Assessments of Critical water Catchment	0	1,427,200
Climate Smart Agriculture	0	700,000
Development of water tower catalogues	0	1,237,600
Ecosystems Management Plan	0	2,335,900
Establishment of Bamboo Enterprise	0	1,993,450
Irrigation Structures for Elelea irrigation Scheme	0	694,400
Rehabilitation through tree planting	0	2,446,350
Multilateral Engagements and Strategic Plan	0	-
Monitoring and Evaluation	2,498,200	5,787,000
Communication, and ICT	0	3,360,094
Development of Real Time Monitoring System	0	504,000
Water Towers Status Report	0	2,086,200
Total Economic Valuation	0	1,548,600
Environmental Awareness Education	0	1,921,000
Nature-based enterprises and capacity building	0	2,364,750

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Description	2024-2025	2023-2024
	KShs	KShs
Honey Equipment and bee apiaries	0	725,500
Alovera Enterprise Establishment	0	284,600
Resource Mobilization for water towers conservation	0	5,178,400
Silvo Pastoral & Agrisilvi Cultural System for Farmers	0	2,000,000
Construction of JEU Camps	1,512,831	2,700,010
Establishment of Model Schools /Construction of Biogas in schools	0	2,044,400
Contracted Rehabilitation-Tree planting	0	12,897,158
Project Inspection	655,200	1,119,800
Policy and Bill	0	12,365,600
Branding and awareness	0	2,903,200
Corporate Social Responsibility	0	-
Regional office coordination costs	1,955,000	290,400
Purchase of protective clothing	0	151,240
Baobab Value Chain Development	0	578,800
10% National Tree Cover	481,200	-
Soil and Water Conservation Technologies	0	930,400
Purchase of Briquette Making Machine	0	909,200
Fence maintenance of Mau Complex	3,094,430	1,762,500
<b>Total grants and subsidies</b>	<b>10,196,861</b>	<b>75,247,752</b>

### 13B General Operational Expenses

Description	2024-2025	2023-2024
	KShs	KShs
Twende	966,100	17,270,288
<b>Total repairs and maintenance</b>	<b>966,100</b>	<b>17,270,288</b>

### 14. General Operational Expenses

	2024-2025	2023-2024
	KShs	KShs
Advertising and Promotion	0	277,000
Fuel	827,000	6,187,621
General Office Supplies	2,613,301	2,733,000
Accommodation, Travel and transport	13,315,500	8,809,795
communication and supplies	-	333,000
Hospitality	-	3,864,741
Regional office Expenses	399,895	4,639,204
Telephone, Mobile services	3,407,000	6,554,000
Headquarter operation expenses	1,159,621	4,341,400
Training	217,200	1,090,963
Corporation tax	142,327	-
Foreign Travel	-	1,777,843

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	2024-2025	2023-2024
	KShs	KShs
ERP Acquisition	-	-
HIV/AIDS Training	-	-
HR Consultancy	-	250,000
Mainstreaming	-	205,000
Science Technology and Innovation Costs	-	154,800
Road safety Mainstreaming	-	-
Alcohol and drug abuse	-	-
Corruption prevention costs	-	-
<b>Total</b>	<b>22,081,844</b>	<b>41,218,367</b>

**15. Finance Costs**

Description	2024-2025	2023-2024
	KShs	KShs
Bank Charges	603,472	1,319,632
<b>Total finance costs</b>	<b>603,472</b>	<b>1,319,632</b>

**16. Cash and Cash Equivalents**

Description	2024-2025	2023-2024
	KShs	KShs
Current account	0	74,819,942
<b>Total cash and cash equivalents</b>	<b>0</b>	<b>74,819,942</b>

**(a) Detailed Analysis of the Cash and Cash Equivalents**

Financial institution	Account number	2024-2025	2023-2024
		KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank – Development	1169617867	0	13,755,389
Kenya Commercial bank – EU	1206871059	0	623
National Bank of Kenya – Recurrent	01001094665400	0	57,556,930
National Bank of Kenya - Gratuity	01001094665401	0	3,507,000
<b>Grand total</b>		<b>0</b>	<b>74,819,942</b>
<b>b) Others(specify)</b>			
Cash in transit		-	-
cash in hand		-	-
<b>Total</b>		<b>0</b>	<b>74,819,942</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. Receivables from Exchange Transactions - Prepayments

	2024-2025	2023-2024
	KShs	KShs
<b>Current receivables – Prepayments</b>		
Medical Insurance (9 months)	-	19,725,436
Group life Insurance (9 months)	-	2,628,178
<b>Total current receivables -Prepayments</b>	<b>-</b>	<b>22,353,614</b>

18. Receivables from Non-Exchange Transactions

Description	2024-2025	2023-2024
	KShs	KShs
<b>Current receivables</b>		
Staff salary advance	362,833	947,091
<b>Total current receivables</b>	<b>362,833</b>	<b>947,091</b>

19. Inventories

Description	2024-2025	2023-2024
	KShs	KShs
Consumable stores	2,485,550	1,963,450
<b>Total inventories at the lower of cost and net realizable value</b>	<b>2,485,550</b>	<b>1,963,450</b>

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20. Property, Plant and Equipment

	Motor vehicles 25%	Furniture and fittings 12.5%	Computer 33.30%	Total
<b>COST</b>				
<i>As at beginning of the period 1st July 2021</i>	127,709,387	39,393,298	50,679,402	217,782,087
Adjustments:	-	-	-	-
Loss/Gain on Revaluation	-	-	-	-
Additions	-	1,639,700	1,281,293	2,920,993
Disposal	-	-	-	-
<i>As at end of period 30th June 2022</i>	127,709,387	41,032,998	51,960,695	220,703,080
<b>Accumulated Depreciation</b>				
<i>As at beginning of the period 1st July 2021</i>	114,727,000	18,062,757	48,911,042	181,700,800
Adjustments:	-	-	-	-
Depreciation on disposal	-	-	-	-
Charge for the year	-	5,129,125	1,245,570	6,374,695
<i>As at end of period 30th June 2022</i>	114,727,000	23,191,882	50,156,613	188,075,495
<b>NET BOOK VALUE AS AT JUNE 2022</b>	<b>12,982,387</b>	<b>17,841,116</b>	<b>1,804,082</b>	<b>32,627,585</b>
<b>COST</b>				
<i>As at beginning of the period 1st July 2022</i>	127,709,387	41,032,998	51,960,695	220,703,080
Adjustments:				
Loss/Gain on Revaluation				-
Additions	-	1,396,700	528,062	1,924,762
Disposal				
<i>As at end of period 30th June 2023</i>	127,709,387	42,429,698	52,488,757	222,627,842
<b>Accumulated Depreciation</b>				

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	Motor vehicles 25%	Furniture and fittings 12.5%	Computer 33.30%	Total
<i>As at beginning of the period 1st July 2022</i>	114,727,000	23,191,882	50,156,613	188,075,495
Adjustments:				
Depreciation on disposal	-	-	-	-
Charge for the year	-	5,303,712	175,845	5,479,557
<i>As at end of period 30th June 2023</i>	114,727,000	28,495,594	50,332,457	193,555,052
<b>NET BOOK VALUE AS AT JUNE 2023</b>	<b>12,982,387</b>	<b>13,934,104</b>	<b>2,156,299</b>	<b>29,072,790</b>
<i>As at beginning of the period 1st July 2023</i>	127,709,387	42,429,698	52,488,757	222,627,842
Adjustments:				
Loss/Gain on Revaluation				-
Additions	-	8,225,288	4,039,340	12,264,628
Disposal				
<i>As at end of period 30th June 2024</i>	127,709,387	50,654,986	56,528,097	234,892,470
Accumulated Depreciation				
<i>As at beginning of the period 1st July 2023</i>	114,727,000	28,495,594	50,332,457	193,555,052
Adjustments:				
Depreciation on disposal	-	-	-	-
Charge for the year	-	6,331,873	1,520,945	7,852,818
<i>As at end of period 30th June 2024</i>	114,727,000	34,827,468	51,853,403	201,407,870
<b>NET BOOK VALUE</b>				
<b>As at the End of 30<sup>th</sup> June 2024</b>	<b>12,982,387</b>	<b>15,827,519</b>	<b>4,674,694</b>	<b>33,484,600</b>
<i>As at beginning of the period 1st July 2024</i>	127,709,387	50,654,986	56,528,097	234,892,470
Adjustments:				
Loss/Gain on Revaluation				-
Additions	-	0	0	0

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	Motor vehicles 25%	Furniture and fittings 12.5%	Computer 33.30%	Total
Disposal				
<i>As at end of period 30th June 2024</i>	127,709,387	50,654,986	56,528,097	234,892,470
Accumulated Depreciation				
<i>As at beginning of the period 1st July 2024</i>	114,727,000	34,827,468	51,853,403	201,407,870
Adjustments:				
Depreciation on disposal	-	-	-	-
Charge for the year	-	6,331,873	1,520,945	7,852,818
<i>As at end of period 30th June 2025</i>	114,727,000	41,159,341	53,374,348	209,260,688
<b>NET BOOK VALUE</b>				
<b>As at the End of 30<sup>th</sup> June 2025</b>	<b>12,982,387</b>	<b>9,495,645</b>	<b>3,153,749</b>	<b>25,631,782</b>

NOTE: DISTRIBUTIONS OF ASSETS OF KENYA WATER TOWERS AGENCY

No.	STATE DEPARTMENT/GOVERNMENT OFFICE	NO. OF MOTOR VEHICLES RECEIVED AND LOGBOOKS	DATE RECEIVED
1	State Department for Environment & Climate Change	10	19 <sup>th</sup> August, 2025
2	State Department for Forestry	7	4 <sup>th</sup> August, 2025
3	Office of Chief of Staff & Head of Public Service	5	3 <sup>rd</sup> July, 2025

**Computers:** All Computer (Laptops) were given to deployed Staff to continue using them at the new respective institutions. This can be confirmed from respective Government Agencies where staffs were deployed.

**Furniture:** All furniture of the Agency were distributed to National Environment Management Authority, National Environment Trust Fund, Kenya Forest Service, Kenya Forestry Research Institute, State department for Forestry and State department for Environment & Climate Change where Agency's Staff were deployed.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. Intangible Assets

Description	2024-2025	2023-2024
	Kshs 33.3%	Kshs 33.3%
<b>Cost</b>		
<i>As at beginning of the period 1st July 2024</i>	3,566,669	3,566,669
Additions		
<b>As at 30th June 2025</b>	<b>3,566,669</b>	<b>3,566,669</b>
<b>Amortization and impairment</b>		
<i>As at beginning of the period 1st July 2024</i>	3,563,102	3,563,102
Amortization for the Period	0	0
<b>As at 30th June 2025</b>	<b>3,563,102</b>	<b>3,563,102</b>
<b>NBV AS AT 30TH JUNE 2025</b>	<b>0</b>	<b>3,567</b>

21 (b) Summary of Depreciation

Asset	2024-2025	2023-2024
	Depreciation	Depreciation
Motor Vehicles	-	-
Furniture and fittings	6,331,873	6,331,873
Computer and accessories	1,520,945	1,520,945
Intangible Asset-Software's	-	-
<b>Total</b>	<b>7,852,818</b>	<b>7,852,818</b>

22. Trade and Other Payables

Description	2024-2025	2023-2024
	KShs	KShs
Trade payables	12,616,110	16,415,163
Other payables		
<b>Total trade and other payables</b>	<b>12,616,110</b>	<b>16,415,163</b>

23. Deferred Income

There was no deferred income recognized

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**24. Current Provisions (Gratuity)**

Description	Leave provision	Gratuity Provision	Other provision	Total
	KShs	Kshs	KShs	KShs
Balance b/d as at 1 <sup>st</sup> July 2024		3,254,636		5,224,431
Additional Provisions		6,715,238		4,232,319
Provision utilised		(10,086,446)		(6,202,114)
Change due to discount and time value for money		-		-
Transfers from non -current provisions				-
<b>Total provisions as at 30th June 2025</b>		<b>(116,572)</b>		<b>3,254,636</b>

**25. Non-Current Provisions (Gratuity)**

Description	Long service leave	Gratuity provisions	Other Provisions	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	-	-		
Additional Provisions for the year	-	-		
<b>Total Provisions</b>		-		
Provision utilised for the year	-	-	-	
<b>Balance c/f</b>	-	-	-	

**29 Financial Risk Management**

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity 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 Entity's financial risk management objectives and policies are detailed below:

**i) Credit risk**

The entity 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

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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 entity's management based on prior experience and their assessment of the current economic environment

**Financial Risk Management**

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:

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2025</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	362,833	362,833	-	-
Bank balances	0	0	-	-
<b>Total</b>	<b>362,833</b>	<b>362,833</b>	-	-
<b>As at 30 June 2024</b>				
Receivables from exchange transactions	22,353,614	22,353,614	-	-
Receivables from non-exchange transactions	947,091	947,091	-	-
Bank balances	74,819,942	74,819,942	-	-
<b>Total</b>	<b>98,120,647</b>	<b>98,120,647</b>	-	-

**Notes to the Financial Statements (Continued)**

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the entity'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. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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The table below represents cash flows payable by the entity 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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2025</b>				
Trade Payables	-		12,616,110	12,616,110
Current portion of borrowings	-			
Provisions				
Deferred Income				
Employee Benefit Obligation	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>12,616,110</b>	<b>12,616,110</b>
<b>As at 30 June 2024</b>			-	-
Trade Payables	-	2,548,440	13,866,724	16,415,163
Current portion of borrowings	-	-	-	-
Provisions				
Deferred Income				
Employee Benefit Obligation	-	-	3,254,636	3,254,636
<b>Total</b>	<b>-</b>	<b>2,548,440</b>	<b>17,121,360</b>	<b>19,669,799</b>

**iii) Market risk**

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity 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 the entity'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 optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The entity'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.

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**Interest rate risk**

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the entity's deposits.

**Management of interest rate risk**

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**iv) Capital Risk Management**

The objective of the entity's capital risk management is to safeguard the entity's ability to continue as a going concern. The entity capital structure comprises of the following funds:

	2024-2025	2023-2024
		Kshs
Revaluation reserve		-
Revenue Reserves	(108,255,505)	21,297,203
Accumulated Surplus (Deficit)	124,239,697.87	92,605,262
<b>Total funds</b>	<b>15,984,193</b>	<b>113,902,465</b>
Less: cash and bank balances	0	74,819,942
Net debt/ (excess cash and cash equivalents)	-	-
<b>Gearing (there is no debt in the capital structure)</b>	-	-

**30 Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**Government of Kenya**

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

**Other related parties include:**

- |      |                          |
|------|--------------------------|
| i)   | The National Government; |
| ii)  | The Parent Ministry;     |
| iii) | Employees                |
| iv)  | Board of directors       |

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i)

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

**Relates Party Disclosures**

ii) Key management;

iii) Board of directors;

	2024-2025	2023-2024
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Grants /Transfers from the Government</b>		
Grants from National Government	256,000,000	569,000,000
Grants from Donors	-	20,000,000
Donations in kind	-	-
<b>Total</b>	<b>256,000,000</b>	<b>589,000,000</b>
<b>b) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for employees	260,541,017	271,086,400
Payments for goods and services	96,713,842	291,554,737
<b>Total</b>	<b>357,254,859</b>	<b>562,641,137</b>
<b>c) Key management compensation</b>		
Directors' emoluments	160,000	14,430,227
Compensation to the CEO		-
Compensation to key management		-
<b>Total</b>	<b>160,000</b>	<b>14,830,227</b>

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

**30 Contingent Assets and Contingent Liabilities**

There was no any contingent liability reported under the FY 2024/2025

**31 Events after the Reporting Period**

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

**32 Ultimate and Holding Entity**

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Environment, Climate Change and Forestry. Its ultimate parent is the Government of Kenya

**33 Currency**

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

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**18. APPENDIX**

**Appendix1: Implementation Status of Auditor-General's 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)
OAG/KWTA/2023-2024/(21)	Undisclosed Bank balance of Water Towers Conversation Fund	The amount of Ksh 35,952,345 was transferred to The National Treasury Exchequer Account and authority to close the account was granted	Resolved	The amount was transferred to National Treasury Exchequer Account in 26 <sup>th</sup> June, 2025.
OAG/KWTA/2023-2024/(21)	Long outstanding Trade and other payables of Ksh 16,415,163	The pending Trade payables was paid in full	Resolved	During the FY 2024-2025
OAG/KWTA/2023-2024/(21)	Lack of ownership Documents for 6 Motor vehicles	Management confirms that all logbooks are available for audit verification.	Resolved	OCTOBER, 2024

## APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects implemented by Kenya Water Towers Agency.

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1. Mitigation and Management of Soil Loss		GoK		NIL	No	No
2. Community Livelihood Improvement Program (CLIP)		GoK		NIL	No	No

### Status of Projects completion

	Project	Total project Cost Ksh. Millions	Total expended to date Ksh. Millions	Completion % to date	Budget	Actual	Sources of funds
1	1106102500: Mitigation and Management of Soil Loss	1,500	520	35%	65	15	GOK
2	1106102900: Community Livelihood Improvement Program (CLIP)	2,000	688.75	34%	55	13.75	GOK

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3	Innovative Approaches on Sustainable management of Water Towers Programme	1,500	3.75	0.25%	15	3.75
4	Securing and protection of water towers programme	1,910	1.25	0.07%	5	1.25

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		KENYA WATER TOWERS AGENCY		
Break down of Transfers from Ministry of Environment, Climate Change and Forestry				
FY 2024/2025				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		12/09/2024	52,000,000	FY 2024/2025
		06/11/2024	52,000,000	FY 2024/2025
		12/02/2025	52,000,000	FY 2024/2025
		07/04/2025	52,000,000	FY 2024/2025
		07/07/2025	48,000,000	FY 2024/2025
		<b>Total</b>	<b>256,000,000</b>	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		-	-	FY 2024/2025
				FY 2024/2025
		<b>Total</b>	<b>-</b>	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		<b>Total</b>	<b>-</b>	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	TWENDE project	-	-	FY 2024/2025
		<b>Total</b>	<b>-</b>	

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

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**APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Ministry of Environment, climate change and Forestry	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
State Department of Environment & Climate Change	12/09/2024	Recurrent	52,000,000	52,000,000	-	-	-	-	52,000,000
State Department of Environment & Climate Change	06/11/2024	Recurrent	52,000,000	52,000,000	-	-	-	-	52,000,000
State Department of Environment & Climate Change	12/02/2025	Recurrent	52,000,000	52,000,000	-	-	-	-	52,000,000
State Department of Environment & Climate Change	07/04/2025	Recurrent	52,000,000	52,000,000	-	-	-	-	52,000,000
State Department of Environment & Climate Change	07/07/2025	Development	48,000,000	48,000,000	-	-	-	-	48,000,000
<b>Total</b>			<b>256,000,000</b>	<b>256,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>256,000,000</b>