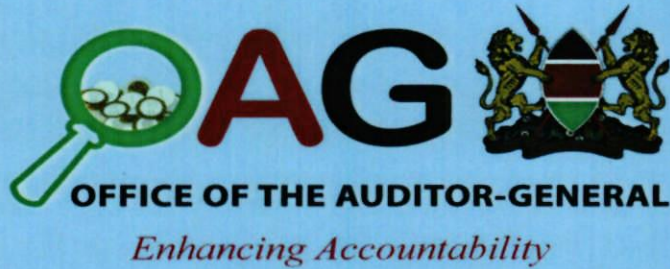


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# REPORT

OF

**THE AUDITOR-GENERAL**

ON

PAPERS LAID	
DATE	23/02/2022
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COMMITTEE	—
CLERK AT THE TABLE	GETRUDE

**TANA WATER WORKS DEVELOPMENT  
AGENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2020**



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**TANA WATER WORKS DEVELOPMENT AGENCY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

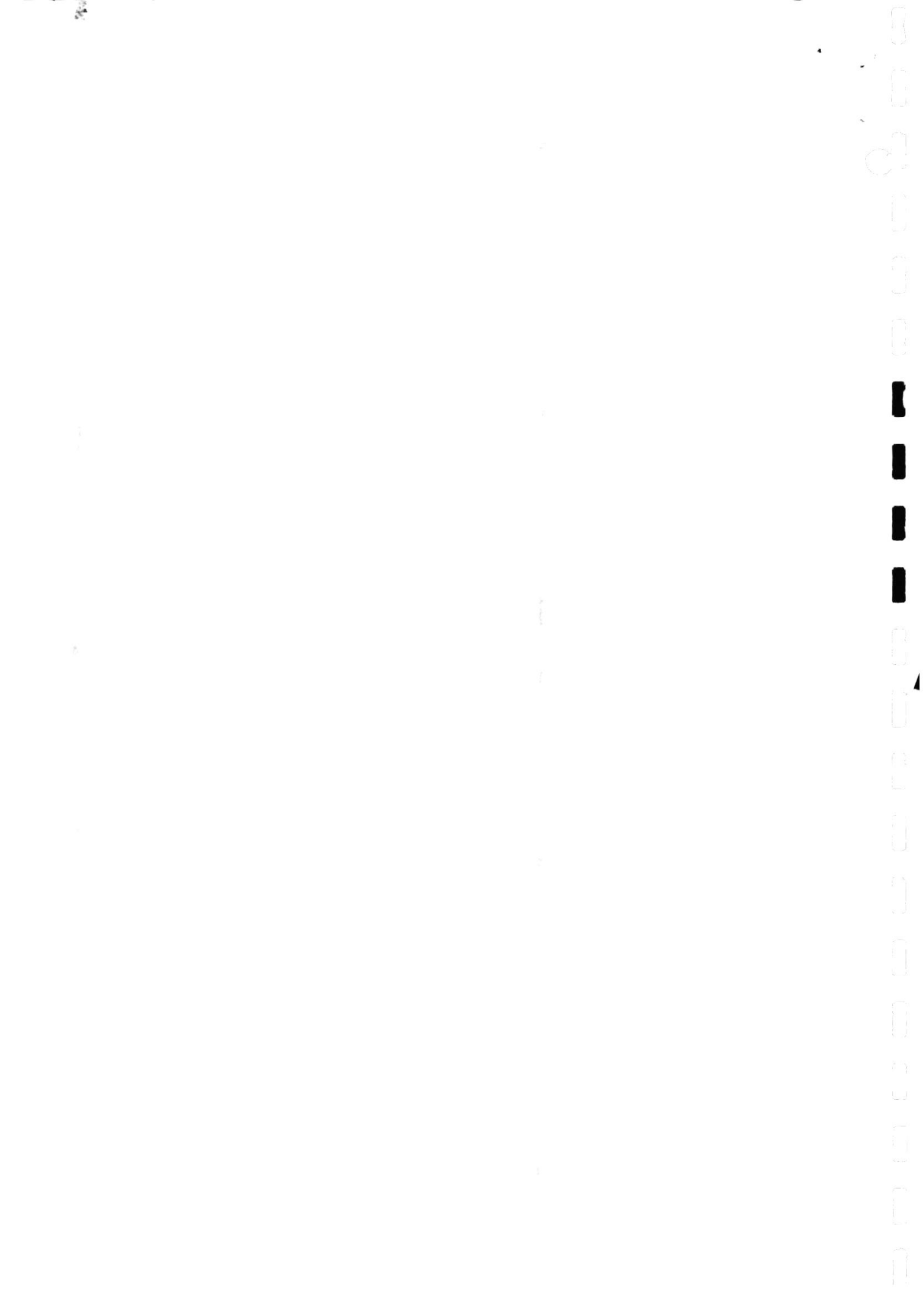
**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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



TWSB IS ISO 9001:2015 CERTIFIED



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## **I. KEY AGENCY INFORMATION AND MANAGEMENT**

### **(a) Background information**

Tana Water Works Development Agency (TWWDA) was established under section 65 of the Water Act, 2016 vide legal notice no. 27 of 26<sup>th</sup> April 2019. The Agency is domiciled in Kenya. The Agency is a State Corporation currently under the Ministry of Water, Sanitation and Irrigation. TWWDA covers five (5) Counties in Mount Kenya region namely; Nyeri, Kirinyaga, Embu, Tharaka-Nithi, and Meru.

### **(b) Principal Activities**

#### **i. Mandate**

The mandate of TWWDA as outlined in the Water Act 2016 section 68 is to:

- a) Develop, maintain and manage National Public Water Works
- b) Operate Water Works and provide water services as a Water Service Provider
- c) Provide reserve capacity for purposes of providing water services
- d) Provide Technical Services and Capacity Building to County Governments and WSPs as may be requested.
- e) Provide Technical Support to the Water Cabinet Secretary in discharge of their functions.

#### **ii. Vision**

An innovative and Resourceful institution in development of National Public water and sanitation works.

#### **iii. Mission**

Mission of the Agency is to develop sustainable National Public Water and Sanitation Public Works that enhances socio-economic growth for stakeholders.

### **(c) Key Management**

The Agency's management is under the following key organs:

1. Board Members
2. Chief Executive Officer and Secretary to the Board
3. Management comprising of;
  - Office of the Chief Executive Officer
  - Finance and Resource Mobilization Department,

- Technical Services Department,
- Corporate Services Department
- Research, Strategy and Compliance Department

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility are:

No.	Designation	Name
1.	Chief Executive Officer	Eng. Moses Naivasha
2.	Chief Manager, Technical Services	Eng. John Mbogori
3.	Chief Manager, Finance and Resource Mobilization	CPA Nicholas Kanyeke
4.	Manager, Supply Chain Management	Mr. James Ribiru
5.	Manager, Internal Audit and Assurance	Mr. Vincent Kachi

**(e) Fiduciary Oversight Arrangements**

To enhance corporate governance, the Board has three working committees namely; Finance and Administration, Technical, Planning & Strategy and Audit and Governance Committees.

***Finance and Administration Committee***

The Finance and Administration Committee is responsible for overseeing:

- Leadership and coordination of Finance & Accounts in accordance with the Public Finance Management Act, 2012, and development, review and implementation of strategies for resource mobilization;
- Human Resource Management & Development, Administration, Information and Communications Technology and Corporate Communication functions; and
- Procurement of goods, works and services, Inventory management and disposal.

The members of the Finance and Administration Committee were;

- i. Dr Purity Muthoni – Committee chair was appointed to the Board on 7<sup>th</sup> February 2019
- ii. Ms. Winfred Mwai – was re-appointed to the Board on 7<sup>th</sup> February 2019
- iii. CS The National Treasury and Planning
- iv. PS Ministry of Water, Sanitation and Irrigation

- v. Chief Manager, Finance and Resource Mobilization –Secretary to the Committee
- vi. Ms. Anne Wangechi - was appointed to the Board on 7<sup>th</sup> February 2019 and her term was revoked on 3<sup>rd</sup> June 2020 vide Kenya Gazette Notice No. 3831.

### ***Technical Planning and Strategy Committee***

The Technical, Planning & Strategy Committee is responsible for:

- Technical planning and design, infrastructure development, asset management, liaison and capacity development; and
- Development and review of strategic and business plans, quality assurance, risk management coordination, knowledge management, performance management, business process re-engineering, coordinating research, and monitoring & evaluation of Agency programmes and projects.

The members of the Technical, Planning and Strategy Committee are;

- i. Hon. Joseph M’Eruaki – Committee chair was appointed to the Board on 7<sup>th</sup> February 2019 and appointed as the Board Chair on 3<sup>rd</sup> June 2020 vide Kenya Gazette Notice No. 3831.
- ii. Mr David Njagi - was appointed to the Board on 7<sup>th</sup> February 2019
- iii. CS The National Treasury and Planning
- iv. PS Ministry of Water, Sanitation and Irrigation.
- v. Chief Manager, Technical Services – Secretary to the Committee
- vi. Ms. Anne Wangechi - was appointed to the Board on 7<sup>th</sup> February 2019 and her term was revoked on 3<sup>rd</sup> June 2020 vide Kenya Gazette Notice No. 3831.

### ***Audit and Governance Committee***

The Audit and Governance Committee is responsible for providing assurance to the Agency on internal control systems, risk management and governance structures.

The members are:

- i. Mr David Njagi- Committee chair was appointed to the Board on 7<sup>th</sup> February 2019
- ii. Hon. Joseph M’Eruaki - was appointed to the Board on 7<sup>th</sup> February 2019 was appointed the Board Chair on 3<sup>rd</sup> June 2020 Kenya Gazette Notice No. 3831.
- iii. Ms Winfred Mwai - Re-appointed to the Board on 7<sup>th</sup> February 2019

- iv. CS The National Treasury and Planning
- v. PS Ministry of Water, Sanitation and Irrigation
- vi. Internal Audit and Assurance Manager-Secretary to the Committee

**(f) TWWDA Headquarters**

P. O. Box 1292 – 10100  
Maji House Buiding  
Baden Powell road  
Nyeri, KENYA

**(g) TWWDA Contacts**

Telephone: 061- 2032282

Email address: [info@tanawwda.go.ke](mailto:info@tanawwda.go.ke) or [tanawaterboard@yahoo.com](mailto:tanawaterboard@yahoo.com)

Website: [www.tanawwsb.or.ke](http://www.tanawwsb.or.ke)

**(h) TWWDA Bankers**

1. Central Bank of Kenya  
Hale Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Kenya Commercial Bank  
Nyeri Branch  
P.O Box 215 - 10100  
Nyeri, KENYA

**(i) Independent Auditors**

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**(j) Principal Legal Adviser**

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

## II. THE BOARD MEMBERS



### **Hon. Joseph M'Eruaki M'uthari**

Hon. M'uthari was born in 1967. He was re-appointed as the Chair to the Board 3<sup>rd</sup> June 2020 vide Kenya Gazette Notice No. 3831. He holds Master's Degree in Development Studies from St. Pauls University and a degree in Bachelor of Science in Forestry from Moi University. He is the immediate former member of parliament of Igembe North Constituency, Meru County. He was Chair of the Technical, Planning and Strategy Committee and a member of the Audit and Governance Committee of the TWWDA Board.



### **Dr. Purity Muthoni Nkoroi**

Dr. Nkoroi is an independent Board Member born in 1962. She was appointed to the Board on 7<sup>th</sup> February 2019 vide Kenya Gazette Notice No. 1247. She hold a PHD in Education Management, a Master's degree in Education and Bachelor's degree in Education from Kenyatta University. She is a council member of Tharaka University College. She is the immediate former principal at Ndagani Secondary School from 2007-2018. She is the current Chair of the Finance and Administration Committee of the TWWDA Board.



### **Mr. David Njagi Ngonge**

Mr. Ngonge is an independent Board Member born in 1963. He was appointed to the Board on 7th February 2019 vide Gazette Notice No. 1247. He holds a Master's Degree of Art in Environmental Law and a B.Sc degree in Agriculture from University of Nairobi. He is the Board Member/team leader at Dalquarter consult, a firm of Experts. He was a volunteer/consultant with metro Metropolitan Training Consultancy (MTC) from 2002 to 2008. He has vast experience in research in the field of irrigation. He was the Chair of the Audit and Governance Committee and a member of the Technical, Planning and Strategy Committee of the TWWDA Board.



**Ms. Winfred Mwai**

Ms. Mwai is an independent Board Member born in 1971. She was appointed on 2nd October 2015 and her first term expired on 1st October 2018 and re-appointed to the Board on 7th February 2019 vide Gazette Notice No. 1247. Ms. Mwai holds an MBA, a Bachelor's degree in Interrelations and a Diploma in Business Administration. She is the Board Member Operations at Figaros Limited since 2007. She was the 2<sup>nd</sup> Secretary Ministry of Foreign Affairs from 2003 to 2007. She was an Administrative Assistant at Kenya Airways from 1999 to 2000. She is a Board Member at Chamber of Commerce and Chairperson Mama Winnie Foundation She was a member of the Finance and Administration and Audit and Governance Committee of the TWWDA Board.



**Dr. Patricia Wawira Njuki**

Dr. Njuki is an independent Board Member born in 1974. She was appointed to the Board on 3<sup>rd</sup> June 2020 vide Kenya Gazette Notice No. 3831. She holds a Phd and a Masters of Arts degree in Population and Human Resources from the University of Adelaide (Australia). She has a degree in Communication (public relations and Community Development from Daystar University. Currently she is conducting cultural orientation/ pre-departure training with thousands of refugees and immigrants. She was part of a consultancy group that that worked on a policy document on social inclusion of immigrants to Australia. She is chair of the Board of Africa Centre for Women and Communications technology (ACWICT) and St Thomas Secondary School Kangwimbiti.



**Mr. John Mwangi Ndambiri**

Mr. Mwangi is an independent Board Member born in 1960. He was appointed to the Board on 3<sup>rd</sup> June 2020 vide Kenya Gazette Notice No. 3831. He did his A levels in Mosoriot Training Teachers College. He has a teaching experience spanning over nineteen (19) years. He is currently a businessman in Embu and Kirinyaga County.



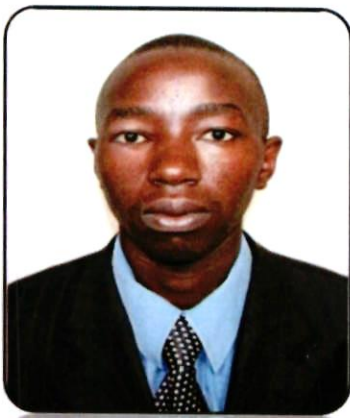
**Ms. Anne Wangechi Githinji**

Ms. Githinji is an independent Board Member born in 1968. She was appointed to the Board on 7<sup>th</sup> February 2019 vide Gazette Notice No. 1247. She holds a bachelor's degree in law and a diploma from Kenya School of Law and a bachelor's degree of Social Legislation from Marathwada University. She is an advocate of the High Court of Kenya. She is a Managing Partner at Masakhwe & Co. Advocates. She is the immediate former Speaker County Assembly of Kirinyaga County. She was a member of Finance and Administration Committee and Technical, Planning and Strategy Committee of the TWWDA Board. Her term was revoked on 3<sup>rd</sup> June 2020 vide Kenya Gazette Notice No. 3831. She is the immediate former chair of National Environment Trust Fund (NETFUND)



**Eng. John Mugo Muiruri**

Eng. Muiruri was born in 1961 he is the alternate to the Principal Secretary, Ministry of Water, Sanitation and Irrigation. He holds an MBA from Eastern and Southern Africa Management Institute (ESAMI), Arusha, Tanzania, a B.Sc degree in Civil Engineering from University of Nairobi and four postgraduate diplomas. He is currently the Director Water infrastructure Development with vast experience in dam design and resource mobilization. He was the chief Manager, Infrastructure Development (Technical Services) Athi Water Works Development Agency from 2004 - 2015. He was formerly the acting CEO, Athi Water Works Development Agency from 2002-2004.



**CPA Edward Kariungu Wamweya**

CPA Wamweya was born in 1984 he is the alternate to the Cabinet Secretary, The National Treasury and Planning. He holds an MBA degree in Finance, Bachelor of Commerce (Finance Option) degree, CPA (K) and is a Certified Investment and Financial Analyst (CIFA). He is currently a Chief Investment Officer in The National Treasury and Planning with three years' experience in monitoring financial performance of State Corporations, managing of GoK loans to State Corporations, preparation of lending agreements, appraisal of State Corporations projects, analyzing and recommending for approval of State Corporations annual budgets and financing agreements relating to Parastatals borrowing. He is a member of ICPAK and ICIFA.



**Eng. Moses Mbae Naivasha – Chief Executive Officer/ Secretary to the Board**

Eng. Naivasha was born in 1959. He was appointed to the Agency on 1st December 2008. He holds a Bachelor of Science degree from University of Nairobi and a Post Graduate Diploma in Hydraulic and Environmental Engineering from the International Institute for Hydraulic and Environmental Engineering (IHE), Delft, The Netherlands. His main responsibilities include: ensuring safe custody and management of the Agency's assets, providing strategic direction and leadership to the Agency's staff, developing and maintaining a conducive working environment for attracting, retaining and motivating employees. Other responsibilities include; developing policies, recommending to the Agency the corporate policies, long term strategy, business plans and annual operating budgets and ensuring effective planning and implementation of the Agency's strategies and approved work plans. He is the Secretary of the Board.

### III. MANAGEMENT TEAM



**Eng. Moses Mbae Naivasha – Chief Executive Officer**

Eng. Naivasha holds a Bachelor of Science degree from University of Nairobi and a Post Graduate Diploma in Hydraulic and Environmental Engineering from the International Institute for Hydraulic and Environmental Engineering (IHE), Delft, The Netherlands. He was appointed to the Agency on 1st December 2008. His main responsibilities include: ensuring safe custody and management of the Agency’s assets, providing strategic direction and leadership to the Agency’s staff, developing and maintaining a conducive working environment for attracting, retaining and motivating employees. Other responsibilities include; developing policies, recommending to the Agency the corporate policies, long term strategy, business plans and annual operating budgets and ensuring effective planning and implementation of the Agency’s strategies and approved work plans.



**Eng. John Nyaga Mbogori – Manager, Technical Services**

Eng. Mbogori holds a Bsc. degree from North-East Saxony University, Germany. His main responsibilities include; Overseeing the engagement, management and supervision of contractors and consultants, management of contractual works and preparation of project certificates, directing, co-ordinating, controlling and managing the Agency’s technical operations and ensuring good maintenance of infrastructure for quality water and sewerage services of existing Water Service Providers(WSP) and close consultation with development partners and other stakeholders to ensure efficient and effective implementation of funded water and sanitation infrastructure.



**CPA Nicholas Mutunga Kanyeke – Chief Manger, Finance and Resources Mobilisation**

CPA Kanyeke holds an MBA degree from KCA University and a B.Com degree from UoN. He is a member of ICPAK and CISA. He joined the Agency on 25th May 2009. His responsibilities include; establishing financial and management systems for the effective implementation of the Agency’s goals and policies, advice the CEO and the Board on the financial position of the proposed projects and investments, ensuring compliance with the International Accounting Standards on financial reporting for the Agency.



**Mr. Vincent Mali Kachi – Manager, Internal Audit and Assurance**

Mr. Kachi holds a Bachelor's degree in Business Administration (Accounting & Finance) from Kenya Methodist University (KEMU) and professional qualifications in Accounting (CPA). He is a member of the Institute of Internal Auditors (IIA). He joined the Agency on 1st May 2017. His main responsibilities include: Examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management and internal process as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. Other responsibilities include: ensuring annual, medium and long-term audit plans are prepared in line with the Agency's corporate goals and objectives, ensuring timely availability and implementation of approved Internal Audit strategies and ensuring that internal audits are completed and documented to the required standards.

**Mr. James Karanja Ribiru – Manager, Supply Chain Management Manager**

Mr. Ribiru holds an MBA degree (Procurement and Supply Chain Management) from the University of Nairobi, a Bachelor of Business Management (Purchasing and Supplies) degree from Moi University, Diploma I, II and III in Supplies management from Railway Training Institute and Kenya Polytechnic and Certificates in the same field. He joined the Agency on 1st May 2017. His main responsibilities include: Overseeing the overall management of procurement and supplies at the Agency; processing tender documentation and applications; preparing relevant progress and annual reports on the performance of the Agency; preparing annual procurement plans in accordance with the budget process; ensuring compliance with regulations, policies and practices in the implementation of procurement activities; managing the awarded contracts; Ensuring maintenance of optimal stock-levels of supplies in tandem with the Agency's requirements; Performing administrative duties within the department among others.



## **IV. CHAIRMAN'S STATEMENT**

### **INTRODUCTION**

I am excited to present the annual report and financial statements for Tana Water Works Development Agency, for the year ended 30<sup>th</sup> June 2020. The financial year 2019/2020 was definitely a busy one for TWWDA given the demand by clients to complete our major projects that were under implementation and to commence implementation of new projects including Kenya Towns Sustainable Water Supply and Sanitation Programme funded by ADB and GoK in line with TWWDA Strategic Plan 2018-2022. The Agency shall continue engaging with a variety of stakeholders including Parent Ministry, Development Partners, County Government, Water Service Providers, the Public and other State Agencies.

### **KEY ACTIVITIES**

During the period under review the Agency continued with its infrastructural programmes geared towards increasing access to water and sanitation, which are key enablers of the Big 4 Agenda.

In 2019/2020 financial year, the Agency maintained active engagement with the already established alliances with development partners to enhance resources mobilisation for expanding the water and sanitation infrastructure to the un-served areas. Following successful implementation of previously ADB funded projects, TWWDA was charged with the responsibility by ADB to implement in conjunction with Northern Water Works Development Agency (NWWDA).

In 2019/2020 financial year, the Agency through the support of the Government of Kenya implemented Kianjuri dam and Ura 4 dam. In addition, TWWDA is implementing Cross County Water Programme, Water for School Programme and National Water Harvesting and Ground Exploration Programme.

### **SUCCESS CONSOLIDATED**

The water sector and other sectors of the economy in our region and the country in general have experienced turbulent times due to the unfavourable weather conditions. Despite the consequences of this unfavourable development that reduced and curtailed the operations in our region, leadership at TWWDA and commitment to good corporate governance by the Board Members and the management ensured that the Agency sustained an upward growth in the year. Aggressive resource mobilization efforts had indeed a positive impact that resulted to completion and good progress in several development projects, commissioning of new ones and proposals that have moved pretty close to attracting substantial external funding.

Tana Water Works Development Agency continued to seize opportunities and to address the challenges to strengthen its position in line with its vision of being an innovative and Resourceful institution in development of bulk water and sanitation works. In addition, TWWDA has maintained ISO 9001:2015 certification by KEBS.

### CHALLENGES

The main challenge to the Agency is to obtain adequate funding to upgrade water and sanitation infrastructures to ensure quality and sustainable service delivery. As reported in the previous years' report, the Agency inherited water infrastructure from National Water Conservation and Pipeline Corporation and the defunct Ministry of Water & Irrigation which were in a dilapidated state. This has led to high Non-Revenue Water (NRW); low connections; and sub-optimal access to quality water even in many areas that are serviced by the existing systems. Other challenges identified include: degraded catchment areas which affect the quality and adequacy of water resources which is further compounded by drought situation; numerous and unsustainable community water schemes that are poorly managed, over-abstraction of water due to poor enforcement of apportionment regulations and polluted sources of water.

Challenges caused by COVID -19 includes; WSPs are losing revenue following directive not to disconnect water, there is loss of working hours as a result of staff working from home and there is also challenge of staff wellness arising from the unexpected.

### FUTURE OUTLOOK

With the introduction of the fundamental changes brought about by the Constitution to the Water and Sanitation Sector and the commencement of the Water Act 2016, The National Government through the Water Works Development Agencies plays an important role of developing sustainable National Water and Sanitation Public Works. This will enhance effectiveness of water and sanitation sector by guaranteeing the right to water and obligating the Agency to ensure that every person has access to safe and adequate quantities of water and a further right to reasonable standards of sanitation as required by the Constitution.

The Agency shall also ensure the right to health and the right to a clean environment, proper and effective sanitation services, this will contribute in the enabling of the Big 4 Agenda.

The Agency has Post COVID-19 strategies which includes; to continue rehabilitating and expansion of community water projects, real time provision of water services in order to promote high level of hygiene and sensitize and communicate to the community on hygiene measures geared towards mitigating causes of COVID -19.

CHAIRMAN:  .....

DATE: 22/02/2020 .....

## V. REPORT OF THE CHIEF EXECUTIVE OFFICER

### INTRODUCTION

I am happy to report the continued growth in our operations and financial performance. The annual report and financial statements as at 30 June 2020 are an indication of a successful year. I am indeed elated to be part of the team that delivered such results. We have refocused our strategic direction to concentrate on our core business and enhanced capacities at all levels which has strengthened management systems for continued service delivery to all our customers.

### KEY ACTIVITIES

During the financial year 2019/2020, the Agency made tremendous achievements in implementation of water and sanitation projects. Guided by the Agency's Strategic Plan (2018-2022), National Water Master Plan 2030, Vision 2030, Big 4 Agenda and Water Act 2016 the Agency has prioritized areas that require intervention, improvement and expansion of existing water and sanitation infrastructures.

The key projects that were completed during the reporting period were;

- Ten (10) dams namely; Kianjuri dam, Ura 4 dam, Makuyu dam, Mariari-Kirigara dam, Magumo dam, Gwa-Kagiri dam Kamwimbi dam, Kithima dam, Itangi 2 dam and Kieranthi Rock Catchment.
- Three (3) Water Projects namely; Sisi kwa Sisi, Kamwene and Mwichuri Water Projects.

In addition, TWWDA is implementing sixteen (16) projects for TWWDA and NWWDA under the Kenya Towns Sustainable Water Supply and Sanitation Programmes.

Further, the Government provided grant for the implementation of;

- Cross County Water Programme for the construction of three (3) earth dams, two (2) water pans, six (6) Water Supply Project and drilling of thirty three (33) boreholes within the Agency's area of jurisdiction and drilling of one (1) borehole in Murang'a County.
- Water for Schools Programme for drilling and equipping of two (2) boreholes;
- National Water Harvesting and Ground Exploitation Programme for rehabilitation of four (4) Water Supply Projects namely; Gantarak, Wiru Self Help Group, Kithima /Mzalendo and Makuri Water Supply Projects

The Agency continued to adopt Performance Contract Management Approach in line with the Government Reforms initiatives. During the financial year, the Agency signed a performance contract with the Ministry of Water, Sanitation and Irrigation for implementation and cascaded the set targets to

Heads of Departments/Divisions. This approach improved the utilization of the available resources leading to better service delivery and better value for money in the Agency activities.

In the financial year 2019/2020 the Agency realized a deficit of KES. 238,334,472, which is attributed to depreciation and provisions for bad debt. TWWDA had an absorption rate of 100% of allocated funds and a project completion rate of 11% due to delay in release of allocated funds, delay in approval of tax exemption master lists by the National Treasury and Planning and challenges in acquisition of land easements from Nyayo Tea Zone, Kenya Forest Service and Kenya Wildlife Services.

### **SUCCESS**

1. The Agency has been evaluated as best performing Agency by the regulator (WASREB) for 6 years in a row before evaluation of performance of water Agencies was stopped in the advent of the new constitutional order.
2. The Agency has good working relationship with Key Stakeholders including Government Institutions and Agencies.
3. Successfully transitioning to ISO 9001:2015 and maintaining of the ISO 9001:2015 is a testimony that TWWDA has continued to embrace international best practices for efficiency in service delivery and customer satisfaction through provision of quality services and continual improvement.
4. The Agency has been rated very good in timely implementation of projects

### **CHALLENGES**

The main challenges that the Agency experienced include;

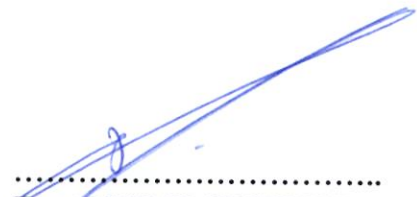
1. Inadequate funding – the total proposed budget for FY 2019/2020 was KES 8.28 billion against an allocation of KES 3.33 billion
2. Delays in disbursement of the allocated funds leading to delay in honouring commitments and obligations which leads to the public losing confidence in the Agency.
3. Lack of storage structures (Dams) to sustain existing utilities
4. Lack of synergy particularly when it comes to authorizations/easements from Key State Agencies eg. KFS/Roads Agencies (KENHA, KERRA & KURA)
5. High cost of land, wayleaves acquisition and crop compensation
6. Understaffing in the Technical Department
7. Ageing workforce.
8. COVID -19 challenges which includes;
  - WSPs are losing revenue following directive not to disconnect water
  - There is loss of working hours as a result of staff working from home.
  - Challenge of staff wellness arising from the unexpected.

The Agency shall continue engaging the Ministry of Water, Sanitation and Irrigation and other relevant stakeholders in addressing these challenges.

## **FUTURE OUTLOOK**

There are on-going efforts to (re)align laws and policies within the Agency to be in line with the Constitution of Kenya order and the Water Act 2016. While there is a general process of implementation of the devolved system of government, there will be a sector-specific approach to the implementation process. In the water and sanitation sector, the pre-2010 sector reforms form the basis of the implementation of devolved system of Government. The Agency will strive to save the benefits harnessed from earlier sector reforms while conforming to the current Constitutional requirements relevant to the sector.

The Agency has Post COVID-19 strategies which includes; to continue rehabilitating and expansion of community water projects, real time provision of water services in order to promote high level of hygiene and sensitize and communicate to the community on hygiene measures geared towards mitigating causes of COVID -19.

  
.....  
**Eng. PHILIP GICHUKI**  
**CHIEF EXECUTIVE OFFICER**

DATE: 22/02/2020.....

## VI. REVIEW OF TWWDA'S PERFORMANCE FOR FY 2019/2020

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the National Government entity's performance against predetermined objectives.

TWWDA has four (4) strategic pillars and objectives within its Strategic Plan for the FY 2018- 2022. These strategic pillars are as follows:

- Pillar 1: Development
- Pillar 2: Resources and Finance
- Pillar 3: Innovation and Technology
- Pillar 4: Promoting Sustainability

TWWDA develops its annual work plans based on the above four (4) pillars. Assessment of the Agency's performance against its annual work plan is carried on a quarterly basis. The Agency achieved its performance targets set for the FY 2019/2020 period for its four (4) strategic pillars, as indicated in the table below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Development	To increase the percentage of the population with access to safe water within the area of jurisdiction from 61.3% to 71.3% by 2022.	<ol style="list-style-type: none"> <li>1. Percentage increase of population accessing safe water</li> <li>2. Number of people served</li> </ol>	<ol style="list-style-type: none"> <li>1. Construction of ten (10) No. dams</li> <li>2. Construct three (3) No. Water Supply Projects</li> </ol>	<ol style="list-style-type: none"> <li>1. Ten (10) No. dams constructed with a storage capacity of 480,000m<sup>3</sup></li> <li>2. 119,500 people served.</li> <li>3. Three (3) Water Supply Projects constructed</li> <li>4. 19,000 people served.</li> </ol>
Pillar 2: Resources and Finance	To initiate resource mobilization strategies to generate Kshs 8.089 Billion for financing water and	Amount of money mobilized	1. Develop a Resource Mobilization Policy for the Agency covering both internal (Government	<ol style="list-style-type: none"> <li>1. Developed a Resource Mobilization Policy</li> <li>2. Developed a Resources Mobilization Strategy</li> </ol>

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	sanitation infrastructure development by 2022.		of Kenya) and external resources (Development Partners). 2. Develop viable project financing proposals.	3. Developed two (2) No. viable project financing proposals.
Pillar 3: Innovation and Technology	1. To promotes research, development and adoption of appropriate technology. 2. To pursue water and sanitation infrastructure development while ensuring human resources and financial	1. No. of research outputs/ Technologies adopted 2. Developed Management Information System	1. Establishing a strategy, research and compliance Department. 2. Develop and adopt appropriate water and sanitation Innovations 3. Improve data collection and information management for effective planning and decision making through acquisition of appropriate software. 4. Develop an effective Management Information	1. Established a strategy, research and compliance Department. 2. The Agency undertook water point/ source mapping in Nyeri County 3. Collected field data from all Nyeri County Constituencies 4. Completed tendering process of the ERP system.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			System	
Pillar 4: Promoting Sustainability	Promote environment sustainability within Agency area.	1. No of tree seedlings planted. 2. Tree cover in acreage	1. Planting indigenous tree seedling	1. Planted 30,000 indigenous tree seedlings 2. Increased tree cover by 46.3 acres (18.75 hectares)

## VII. CORPORATE GOVERNANCE STATEMENT

### BOARD MEETINGS AND ATTENDANCE

The Board held five (5) Finance and Administration Committee meetings, four (4) Finance and Administration Special committee meetings, four (4) Technical, Planning and Strategy Committee meetings, four (4) Audit and Governance Committee meetings, one (1) special Audit and Governance Committee, two (2) full board meetings and a workshop for Board Audit Committee.

	Board Member	Institutional Induction of Board Members	Finance & Admin	Tech, Plan & Strategy	Audit & Govn	Special Audit & Govn	Special Finance & Admin	Full board	Workshop for Board Audit Committee
1.	Hon Joseph M' Eruaki	1		4	4	1	1	2	1
2.	Ms. Ann W. Githinji	1	3	3			4	1	
3.	Ms. Winfred Mwai		3		4	1	4	2	1
4.	Mr. David Njagi Ngonge	1		3	4	1	1	2	1
5.	Dr. Purity Nkoroi		4				3	2	
6.	CPA Edward Wamwea representative of CS - National Treasury	1	5	2	4		4	2	1
7.	Eng John Muiruri Representative of PS – Ministry of Water, Sanitation and Irrigation	1	2	2	3	1	3	1	1
8.	Gerald Mwangi Inspectorate General (IG-Rep)	1	5	3			2	2	

### **SUCCESSION PLAN**

In accordance with section 66 (1) of the Water Act, 2016 the appointing authority of the Agency's Chairperson to the Board and Board Member is the Cabinet Secretary for Water, Sanitation and Irrigation. In this regard, the Agency has no control over the succession planning of the Board Members. However, the management notifies the appointing authority six months prior to the Board Members' time of retirement. The Agency has a policy on succession planning for the CEO, Senior Management and Staff.

### **BOARD CHARTER**

The Board has an approved Board charter, which is also uploaded in the Agency's website. As part of the induction programme, newly appointed Board members are inducted on the contents of the charter.

### **APPOINTMENT AND REMOVAL OF BOARD MEMBERS**

In accordance with section 66 (1) of the Water Act, 2016 the Cabinet Secretary Ministry of Water, Sanitation and Irrigation shall appoint the Chairman of the Board Members. A Board Member's term can be terminated if;

- Serves the Cabinet Secretary with a written notice of resignation; or
- Is absent, without the permission of the chair person for three consecutive meetings; or
- Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding two thousand shillings; or
- Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Board; or
- Conducts himself in a manner deemed by the Cabinet Secretary to be inconsistent with membership of the Board.

### **ROLE AND FUNCTION OF THE BOARD**

The functions of the Board are to:

- i. Determine TWWDA's mission, vision, purpose and core values;
- ii. Review, evaluate and approve, on a regular basis, long-term plans for TWWDA;
- iii. Review, evaluate and approve TWWDA's budget and financial forecasts;
- iv. Review and approve the operating and financial results of TWWDA;
- v. Ensure effective, accurate, timely and transparent disclosure of pertinent information on TWWDA's operations and performance;
- vi. Review, evaluate and approve the overall organizational structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- vii. Review, evaluate and approve the remuneration structure of TWWDA;

### **INDUCTION AND TRAINING**

The Agency has an induction programme for newly appointed Board members. When appointed, Board members are provided with an effective induction programme in order to familiarize them with their responsibilities as Board members, general principles of governance and Board practices. The induction programme also provide the Board member with an orientation of the Agency, strategic plans, financial status and policies, risk management, compliance programmes and the Code of Conduct and Ethics and applicable policies. The induction shall entail meetings with senior management and visits to TWWDA'S water infrastructure facilities. There was an institutional induction of Board Members on 10th to 12th July 2019 at Nanyuki Maiyan followed by a Workshop for Audit and Governance on 23rd to 25th October 2019 at Mombasa Pride Inn.

### **BOARD AND MEMBER PERFORMANCE**

The Mwongozo code of Governance requires the performance of Board Members of State Corporations to be evaluated by SCAC at the end of every year of service. The Agency complies with this requirement and a performance evaluation is carried out in conjunction with SCAC for the Board, individual Board Member, Chairperson and CEO.

### **CONFLICT OF INTEREST**

Board members are required to avoid conflict of interest between their private activities and their part as Board Members in the conduct of the business of the Agency as specifically provided in the Code of Conduct and Ethics and the Mwongozo Code of Governance. In this regard, the Agency maintains conflict of interest registers which Board Members declare any conflict of interest before commencement of all meetings.

### **BOARD REMUNERATION**

The remunerations of Board Members are based on circulars issued by the State Corporation Advisory Committee from time to time. The remuneration include; sitting allowance, accommodation allowance, lunch allowance, mileage allowance, chairman honoraria and airtime allowance. The allowances are subject to the applicable income tax laws. In addition, the independent Board Members have an insurance cover which include Medical cover, Group Personal Accident and Last Expense

### **ETHICS AND CONDUCT**

Board members have a duty to act ethically at all times and in accordance with the Board Charter and in line with their fiduciary duty to act honestly and in the best interests of TWWDA. Towards this end, all the Board Members signed a Code of Conduct and Ethics in line with the Mwongozo Code of Governance.

## **GOVERNANCE AUDIT**

The Mwongozo code of Governance requires SCAC in conjunction with the Institute of Certified Secretaries (ICS) to conduct Governance Audit on an annual basis. The Agency has complied with the provision of the Mwongozo Code of Governance for State Corporations.

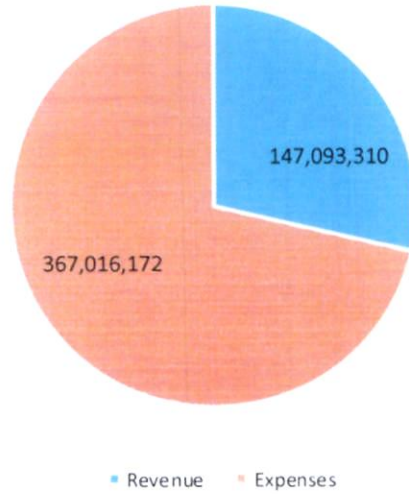
## **VIII. MANAGEMENT DISCUSSION AND ANALYSIS**

### **The Agency's Operational and Financial Performance**

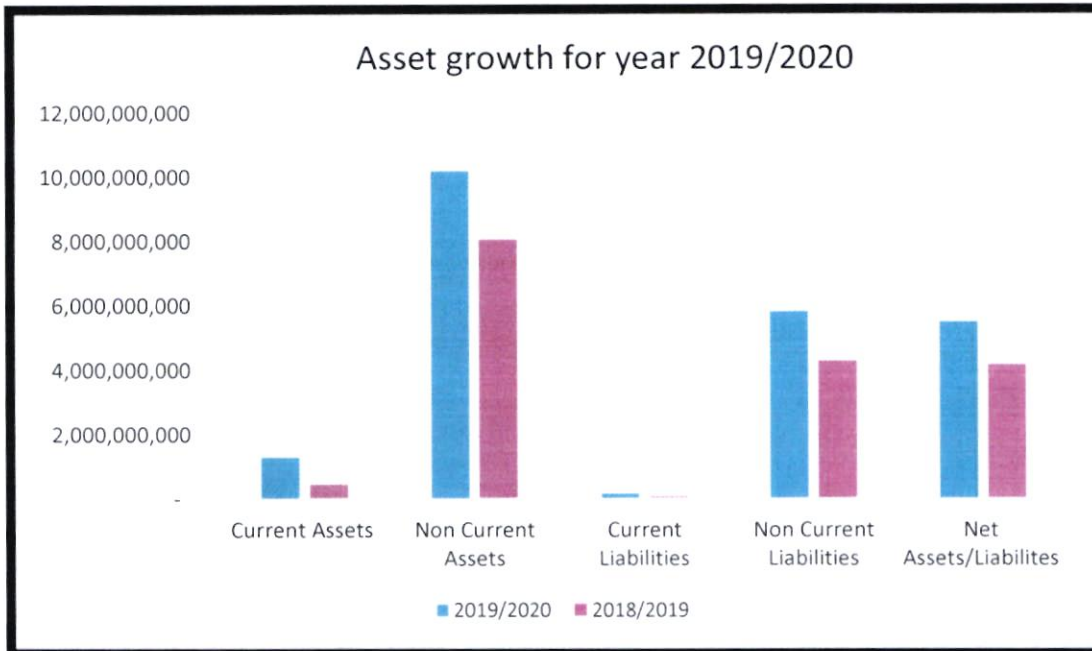
The Agency continued to adopt Performance Contract Management Approach in line with the Government Reforms initiatives. This approach improved the utilization of available resources leading to better service delivery and better value for money in the Agency activities.

In addition, during 2019/2020 financial year, the Agency has continued to maintain constructive engagements with Development Partners and Stakeholders to support the rehabilitation and augmentation of the existing water and Sewerage services infrastructure and to initiate new schemes to increase coverage in line with Vision 2030.

### Revenue Vs Expenditure 2019/2020



*The increase in expenses is attributed to increase in depreciation due to capitalization of completed projects*



### **Key projects and investment decisions TWWDA implemented and ongoing**

Tana Water Works Development Agency, guided by its Strategic Plan 2018-2022, has prioritize areas that require intervention, improvement and expansion of existing water and Sanitation infrastructure.

In the Financial Year 2019/2020 the Agency maintained active engagement with the already established alliances with development partners to enhance resource mobilization for expanding the water and sanitation infrastructure to the un-served areas.

The Agency has continued with the implementation of Kerugoya-Kutus Water and Sewerage Infrastructure, Chuka Water Supply and Sewerage Infrastructure, Chogoria Water and Sewerage Infrastructure, Meru Sewerage Infrastructure, Murang'a South Water Supply and Sewerage Infrastructure, Murang'a Urban Water Supply and Sewerage Infrastructure and Othaya Sewerage Infrastructure.

In addition TWWDA in conjunction with NWWDA is implementing Marsabit Water Supply and Sanitation Infrastructure, Mandera Water Supply and Sanitation Infrastructure, Garissa Town Water Supply and Sewerage Infrastructure and Isiolo Town Water Supply and Sewerage Infrastructure.

In the Financial Year 2019/2020, the National Government has provided budgetary allocations to support construction of the following programmes and projects;

- Cross County Water Programme
- National Water Harvesting and Ground Exploitation Programme
- Water for Schools Programme

### **The Agency's compliance with statutory requirements**

Tana Water Works Development Agency is compliant to its statutory obligations. These include: PAYE and Withholding tax, NHIF, NSSF, Loan deductions and Pension among others. As at 30 June 2020, all statutory deductions had been remitted to the relevant bodies.

### **Major risks facing TWWDA**

In undertaking its activities, TWWDA is exposed to risks in terms of threats and potential loss of opportunities which can affect its operations. Several risks were identified and their mitigation measures considered. The Agency maintains risk registers which are monitored and reviewed from time to time.

The Agency's risk management strategy recognizes the various risks the Agency is exposed to including operational risk, credit risk, liquidity risk and political risk. This is based on a clear understanding of the risk and the continuous risk assessment, measurement and monitoring.

#### ***Operational Risk***

Operational risk is the exposure to the Agency that could arise as a result of failure or deficiencies related to system, process and people. To mitigate the operational risk the Agency has strengthened

the internal systems and processes, strengthen staff capacity, insurance against the risks and has disaster management plan.

***Credit Risk***

Credit risk is the risk that the borrower is unable to meet his financial obligations to the lender. The Agency's credit risk is attributable to its cash and cash equivalent and trade receivable.

***Liquidity Risk***

Prudent liquidity risk management includes maintaining sufficient cash to meet the Agency's obligations. The Agency manages liquidity risk by maintaining adequate cash reserves to ensure liabilities are paid as they fall due and to cushion against any liquidity risk

**Material arrears in statutory/financial obligations**

The Agency had pending bills amounting to KES 58,220,115 as at the end of financial year 2019/2020. The Agency has engaged the relevant stakeholders to settle the pending.

**The Agency's financial probity and serious governance issues**

There were no financial improbity and governance issues reported during the financial year 2019/2020.

## **IX. CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

Tana Water Works Development Agency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on four (4) pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

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

Kenya's political situation has relatively remained stable thus allowing the Agency to continue implementing the government's "Big Four Agenda" that aims to provide Universal Healthcare and affordable housing, increase manufacturing and improved food security. The projects involved development of water and sewerage infrastructure. The Agency acknowledges its responsibility to society in its capacity as a corporate citizen. Consequently, it endeavours to play an active role in national and regional matters as per its mandate besides contributing to various worthy causes. In the financial year under review, the Agency continued to offer technical advice and support to different stakeholders in the water sector, particularly the county governments to facilitate access to safe and clean water in adequate quantities. The Agency has utilized criteria of good practices fulfilling human rights obligations related to access to safe drinking water and sanitation mandated by the Human Rights Council. The criterion includes availability, accessibility, Quality/safety, participation and accountability.

### **2. Environmental performance**

In line with the constitution, and the Presidential directive the Agency planted 30,000 indigenous tree seedlings in Kamweti forest station area in Kirinyaga County and 2,000 tree seedlings in the Mwache Dam Catchment area of Kwale County. This was to increase the tree cover by 46.3 Acres (18.87Hectares) and ensure sustainable source of water for the projects being implemented in Kirinyaga and Kwale Counties. Our environmental sustainability programmes address local water challenges through increased water and energy efficiency. The Agency has put in place climate change adaptation initiatives such as renewable energy (solar) for back washing. Through a combination of employee engagement, operational efficiencies and creative engineering projects, the Agency works throughout its sites to improve water and energy efficiency. Rain water harvesting structures and interventions on reducing waste in the Agency have been put in place. An E-waste policy is being implemented.

### **3. Employee welfare**

The Agency has put in place human resource strategies to develop its staff so as to effectively continue to deliver on its mandate. This entailed: Enhancing staff competencies, improving working environment, enhancing performance management, succession management and enhancing knowledge management. The Agency has ensured a gender ratio of 1:3 for female to male. A Human Resource Policy and procedures manual being implemented. The Agency is firmly committed to ensuring the occupational health, safety and well-being of our employees, contractors and visitors. Our commitment to occupational health and safety is underpinned by

our core values: "Good governance", and "customer-focus". The Agency is committed to creating a zero harm safety culture in all of our operations. Our aim is to create a proactive safety culture in which all our employees believe that all injuries and illness are foreseeable and preventable.

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

The Agency is committed to promoting and adhering to the highest standards of probity and accountability in the use of its funding and takes a zero-tolerance stance towards cases of fraud and corruption in its activities and operations, both within the institution and under its projects and programmes. To this end the Agency has developed and implemented four anti-corruption policies and continues to train staff both at the Agency and Water Service Providers. The Agency commits to ensure ease of doing business by promptly making payments to its suppliers thus improving its Agency-Supplier relationship. The Agency complies with all laws and regulations dealing with marketing practices. All advertisements for tenders and jobs undergo internal review for accuracy and compliance. The Agency also ensures privacy of customer and consumer information and data protection. As the Agency designs and implements its water and sanitation infrastructure projects, it ensures that there is minimal impact on the environment. Environmental Social Impact Assessment is undertaken in all projects before implementation takes place.

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

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

## 6. COVID 19 Mitigation

The Agency has made arrangements for provision of 100No Water Storage tanks of 1,000cubic metres and 3,000cubic metres as Covid-19 intervention in the five(5) counties of our area of jurisdiction; namely Nyeri, Kirinyaga, Embu,Tharaka Nithi and Meru". Further 36No. Boreholes have been drilled within the Agency area as measures of providing water during this pandemic.

## X. REPORT OF THE BOARD MEMBERS

The Board Members submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the Agency's affairs.

### Principal activities

The principal activities of the Agency continue to be;-

1. Undertake the development, maintenance and management of the national public waterworks within its area of jurisdiction;
2. Operate the waterworks and provide water services as a water service provider, until such a time as responsibility for the operation and management of the waterworks are handed over to a county government, joint committee, authority of county governments or water services provider within whose area of jurisdiction or supply the waterworks is located;
3. Provide reserve capacity for purposes of providing water services where the Regulatory Board orders the transfer of water services functions from a defaulting water services provider to another licensee;
4. Provide technical services and capacity building to such county governments and water services providers within its area as may be requested; and
5. Provide to the Cabinet Secretary technical support in the discharge of his or her functions.

### Results

The results of the Agency for the year ended June 30, 2020 are set out on page 1.

### Board Members

The members of the Board who served during the year are on page vii to x. During the Financial Year, two Board Members' terms was revoked with effect from 3<sup>rd</sup> June 2020 vide Kenya Gazette Notice No. 3831. In addition, the Chair of the Board and two independent Board Members were appointed to the Board with effect from on 3<sup>rd</sup> June 2020 vide Kenya Gazette Notice No. 3831.

### Dividends/Surplus remission

TWWDA is a non-commercial semi-autonomous government entity and therefore did not make any surplus during the FY 2019/2020 hence there was no remittance to the Consolidated Fund

**Auditors**

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

**By Order of the Board**

.....

**Eng. Philip Gichuki**

**Chief Executive Officer**

**Date:** 22/02/2020 .....

## XI. STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Section 14 of the State Corporations Act, require the Board Members to prepare financial statements in respect of the Board, which give a true and fair view of the state of affairs of the Agency at the end of the financial year and the operating results of the Agency for that year. The Board Members are also required to ensure that the Agency keeps proper accounting records which disclose with reasonable accuracy the financial position of the Agency. The Board Members are also responsible for safeguarding the assets of the Agency.

The Board Members are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year ended on June 30, 2020. This responsibility includes:

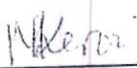
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Agency;
- (iii) Designing, implementing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

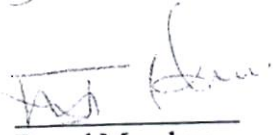
The Board Members accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act 2012 and the State Corporations Act. The Board Members are of the opinion that the Agency's financial statements give a true and fair view of the state of Agency's transactions during the financial year ended June 30, 2020, and of the Agency's financial position as at that date. The Board Members further confirm the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's financial statements as well as the adequacy of the systems of internal financial control.

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

### Approval of the financial statements

The Agency's financial statements were approved by the Board on 22<sup>nd</sup> February 2020 and signed on its behalf by:

  
\_\_\_\_\_  
Board Member

  
\_\_\_\_\_  
Board Member

# REPUBLIC OF KENYA



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## REPORT OF THE AUDITOR-GENERAL ON TANA WATER WORKS DEVELOPMENT AGENCY FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Tana Water Works Development Agency set out on pages 1 to 52, which comprise of the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in 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 Tana Water Works Development Agency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Water Act, 2016 and the Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1. Property, Plant and Equipment

As disclosed in Note 21A to the financial statements, the statement of financial position reflects property, plant and equipment balance of Kshs.7,149,683,408. The balance includes land and buildings valued at Kshs.330,349,943. However, review of records revealed that the Management did not disclose the separate values for land and building. This is contrary to Paragraph 74 of IPSAS 17 which requires land and building to be reported separately and that buildings be depreciated.

Consequently, the accuracy, completeness and validity of the property, plant and equipment balance of Kshs.7,149,683,408 reflected in the statement of financial position as at 30 June, 2020 could not be confirmed.

##### 2. Inaccuracy in Work in Progress

As disclosed in Note 22 to the financial statements, the statement of financial position reflects work in progress totalling to Kshs.3,045,094,920. However, the balance includes recurrent expenditure amounting to Kshs.19,549,962 that was capitalized as summarized below:

<b>Description</b>	<b>Item Charged in the Financial Statement</b>	<b>Amount (Kshs.)</b>
Training	Drought Mitigation	1,438,830
Stakeholder Meeting	Drought Mitigation	110,000
Tree Planting	Drought Mitigation	649,500
Bench Marking Exercise	Drought Mitigation	313,800
Repairs and Maintenance	Drought Mitigation	5,588,000
Motor Vehicle Repairs	Drought Mitigation	581,581
World Water Day	World Water Day	5,830,227
Covid 19 Expenditure	Covid 19 Expenditure	5,038,024
	<b>Grand Total</b>	<b>19,549,962</b>

Further, the Management did not provide a budget and a work plan for the Covid -19 expenditure totalling to Kshs.5,038,024. In addition, the balance includes an amount of Kshs.3,217,835 that was spent on cash basis instead of cheques drawn in the name of the payees.

Consequently, the accuracy, completeness and validity of work in progress totalling to Kshs.3,045,094,920 reflected in the statement of financial position as at 30 June, 2020 could not be confirmed.

### **3. Inaccuracy in Inventories**

As disclosed in Note 19 to the financial statements, the statement of financial position reflects inventories totalling to Kshs.426,130. The balance excluded water meters valued at Kshs.28,554,463 held by the Agency awaiting issuance to Water Service providers.

In the circumstances, the completeness, accuracy and validity of inventories totalling to Kshs.426,130 reflected in the statement of financial position as at 30 June, 2020 could not be confirmed.

### **4. Borrowings**

As disclosed in Note 24 (a) to the financial statements, the statement of financial position reflects borrowings totalling to Kshs.3,373,390,407. However, the schedule of loans provided reflected borrowings amounting to Kshs.2,497,404,523 resulting to an unreconciled variance of Kshs.875,985,884.

Further, a review of loan confirmation letter dated 7 December, 2020 indicated loan arrears totalling to Kshs.221,987,547 relating to ADF-Loan No.2100150015546 and Kshs.376,957,079 relating to ADF-Loan No.21001150021543 as at 30 June, 2020, which were not disclosed in the financial statements. In addition, loan repayment amounting to Kshs.2,507,960 indicated to have been received by the Agency from Water Service Providers was not supported.

Consequently, the accuracy, completeness and validity of borrowings totalling to Kshs.3,373,390,407 reflected in the statement of financial position as at 30 June, 2020 could not be confirmed.

## **5. Inaccuracies in Contingent Liabilities**

Disclosed in Note 32 to the financial statements is contingent liabilities balance of Kshs.2,260,965. However, the amount was adjusted from Kshs.2,961,365 reflected in the initial financial statements submitted for audit. Further, according to Management response letter dated 11 March, 2021, the Agency's contingent liabilities amounted to Kshs.3,965,874 as at 30 June, 2020. These variances have not been reconciled or explained.

Consequently, the accuracy, completeness and validity of contingent liabilities totalling to Kshs.2,260,965 as at 30 June, 2020 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury and Planning Circular reference No. AG.4/16/3 Vol.1(9) dated 24 June, 2020.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Non-compliance with the Law on Ethnic Composition**

During the year under review, the number of employees at the Agency was sixty-eight (68) out of whom forty-nine (49) or 72% of the total number were members of the dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the

National Cohesion and Integration Act, 2008 which states that, “all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community”.

Consequently, Management is in breach of the law.

## 2. Unapproved Expenditure

### 2.1. Unauthorized Re-allocation of Funds

According to the Ministry’s letter dated 25 July, 2019, the Ministry approved an budget of Kshs.1,700,000,000 on donor component for the Kenya Towns Sustainable Water Supply and Sanitation Program, Kshs.900,000,000 on GOK component of the Kenya Towns Sustainable Water Supply and Sanitation Program, an allocation of Kshs.500,000,000 for Maua Water and Drainage Project and Kshs.45,000,000 on Mathira Water Supply Project. However, the Agency’s final budget indicates that Kshs.500,000,000 each was allocated to Maara Dam and Maua Dam, resulting in an additional funding of Kshs.500,000,000 as follows:

<b>Project</b>	<b>Amount approved as per Ministry of Water Approval Letter Dated 25 July, 2019 (Kshs.)</b>	<b>Amount Allocated as per Final Budget Page 15 (Kshs.)</b>	<b>Difference (Kshs.)</b>
ADB Kenya Towns Sustainable Water Supply Sanitation Program	1,700,000,000	1,700,000,000	0
GOK-Kenya Towns Sustainable Water Supply Sanitation Program	900,000,000	400,000,000	(500,000,000)
Maara Dam		500,000,000	500,000,000
Maua Dam Water, Sewerage and Drainage Project	500,000,000	500,000,000	0
Mathira Community Water Project	45,000,000	45,000,000	0
<b>Total</b>	<b>3,145,000,000</b>	<b>3,145,000,000</b>	

Further, Appendix III to the financial statements indicates that a grant of Kshs.375,000,000 was released on Maara Dam on 4 November, 2019 and on 12 June, 2020. Further, according to Note 22(a) on work in progress, an amount of Kshs.11,603,669 was incurred on Maara Dam.

However, the Agency’s letter to the Principal Secretary requesting for authority to implement South and North Maara River Project and Kanjogu and Thambo Dams was dated 22 June, 2020. Therefore the project was funded and implemented without prior approval.

### 2.2. Expenses Charged on Both Development and Recurrent Votes

The following expenditures of similar nature were charged both to development and recurrent vote as follows:

Item	Amount Charged Development Expenditure (Kshs.)	Amount Charged Recurrent Expenditure (Kshs.)	Total (Kshs.)
Drought Mitigation Intervention	44,676,491	3,765,000	48,441,491
World Water Day	4,849,627	980,600	5,830,227
Covid 19' Expenditure	4,810,645	227,379	5,038,024
<b>Total</b>	<b>54,336,763</b>	<b>4,972,979</b>	<b>59,309,742</b>

No explanation or explanation was provided for the anomaly.

### 2.3. Budget Over-Expenditure

The statement of comparative budget and actual amounts reflects a final budget of Kshs.1,000,000 under contracted professional services against actual expenditure of Kshs.5,997,518, resulting in over expenditure totalling to Kshs.4,997,518. However, documentary approval was not provided.

Consequently, the validity of the above expenditures for the year ended 30 June, 2020 could not be confirmed.

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

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

### Conclusion

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

### Basis for Conclusion

#### Long Outstanding Board Administrative Fees

As disclosed in Note 18 to the financial statements, the statement of financial position reflects under receivables a balance of Kshs.341,176,040. The balance includes outstanding board administrative fees amount of Kshs.336,784,857 due from various Water Service Providers dating back to 2016. Accumulation of such receivables denies the Agency much needed revenue to run its activities and recoverability may be impossible.

In the circumstances, I am unable to confirm existence of effective measures on debt management.

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

### **Responsibilities of Management and the 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Agency to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Agency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

08 February, 2022

**XII**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2020**

Revenue from non-exchange transactions	Notes	2019/2020	2018/2019
		KES	KES
Board's Administrative Cost fee	6	74,960	2,774,598
Government Recurrent Grants	7	145,740,775	87,328,496
		<b>145,815,735</b>	<b>90,103,094</b>
<b>Revenue from exchange transactions (A-in-A)</b>			
Rendering of Services	8	774,800	1,110,640
Sale of Goods	9	435,000	594,000
Other Income	10	67,775	877,350
		<b>1,277,575</b>	<b>2,581,990</b>
<b>Total revenue</b>		<b>147,093,310</b>	<b>92,685,084</b>
<b>Expenses</b>			
Use of Goods & Services	11	81,196,121	122,643,621
Employee Costs	12	87,753,135	55,150,817
Remuneration of Directors	13	10,929,258	7,166,405
Depreciation and Amortization expense	14	178,910,706	170,886,789
Repairs and Maintenance	15	2,229,434	5,294,682
Contracted Services	16	5,997,518	922,297
<b>Total expenses</b>		<b>367,016,172</b>	<b>362,064,611</b>
<b>Surplus/(deficit) for the period - Note 4 (h) &amp; Annex IV</b>		<b>(219,922,862)</b>	<b>(269,379,527)</b>
Attributable to			
Surplus/(deficit) attributable to owners of the controlling entity	29	(219,922,862)	(269,379,527)
		<b>(219,922,862)</b>	<b>(269,379,527)</b>

The notes set out on pages 8 to 35 form an integral part of these Financial Statements

**XIII**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

<b>Assets</b>		<b>2019/2020</b>	<b>2018/2019</b>
<b>Current assets</b>	<b>Notes</b>	<b>KES</b>	<b>KES</b>
Cash and Cash Equivalents	17	943,981,708	97,927,542
Receivables from Non-Exchange Transactions	18	341,176,040	344,582,481
Inventories	19	426,130	177,224
Prepayments	20	4,568,508	3,227,039
		<b>1,290,152,386</b>	<b>445,914,286</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	21A	7,149,683,408	6,578,696,303
Work In Progress	22	3,045,094,920	1,468,807,502
		<b>10,194,778,328</b>	<b>8,047,503,805</b>
<b>Total Assets</b>		<b>11,484,930,714</b>	<b>8,493,418,091</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions	23	163,948,382	69,290,556
		<b>163,948,382</b>	<b>69,290,556</b>
<b>Non-Current liabilities</b>			
Borrowings - ADF Loan	24(a)	3,373,390,407	3,373,390,407
Borrowings - ADB Loan	24(b)	2,446,375,324	898,390,731
		<b>5,819,765,731</b>	<b>4,271,781,138</b>
<b>Total Liabilities</b>		<b>5,983,714,113</b>	<b>4,341,071,694</b>
<b>Net Assets</b>		<b>5,501,216,601</b>	<b>4,152,346,397</b>
Reserves	26	6,736,385,113	5,168,385,113
Accumulated Fund	27	(1,237,689,107)	(1,018,391,056)
ADB Loan repayment Fund	28	2,520,595	2,352,340
<b>Total Net Assets and Liabilities</b>		<b>5,501,216,601</b>	<b>4,152,346,397</b>

The Financial Statements set out on pages 1 to 30 were signed on behalf of the Board Members by:

.....  
Chief Executive Officer  
Name: Eng. Philip Gichuki

.....  
Head of Finance & RM  
Name : CPA. Nicholas Kanveke  
ICPAK Member Number: 4164

.....  
Chairman  
Name: Hon. Joseph M'Eruaki M'uthari

Date.. 22/02/2020.....

Date.. 22/02/2020.....

Date.. 22/02/2020.....

**XIV**

**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 30TH JUNE 2020**

	<b>Accumulated Fund</b>	<b>Capital Reserves</b>	<b>ADB Loan Repayment Fund</b>	<b>Total</b>
	<b>KES</b>	<b>KES</b>	<b>KES</b>	<b>KES</b>
<b>At July 1, 2018</b>	<b>(726,382,788)</b>	<b>4,770,635,113</b>	<b>2,354,125</b>	<b>4,046,606,450</b>
Surplus/(deficit) for the period	(293,088,197)			(293,088,197)
Transfers to/from accumulated surplus - Gratuity	2,607,844	-	-	2,607,844
ADB (WSBSP) Loan	-	-	(1,785)	(1,785)
Payment during the year - Gratuity	(1,527,915)	-	-	(1,527,915)
Capital Reserves	-	397,750,000	-	397,750,000
<b>At June 30, 2019</b>	<b>(1,018,391,056)</b>	<b>5,168,385,113</b>	<b>2,352,340</b>	<b>4,152,346,397</b>
Surplus/(deficit) for the period	(219,922,862)			(219,922,862)
Transfers to/from accumulated surplus - Gratuity	4,980,690	-	-	4,980,690
ADB (WSBSP) Loan	-	-	168,255	168,255
Payment during the year - Gratuity	(4,355,879)	-	-	(4,355,879)
Capital Reserves	-	1,568,000,000	-	1,568,000,000
<b>At June 30, 2020</b>	<b>(1,237,689,107)</b>	<b>6,736,385,113</b>	<b>2,520,595</b>	<b>5,501,216,601</b>

**XV**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2019/2020	2018/2019
		KES	KES
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Board's Administrative Costs Fee	6	74,960	2,774,598
Government Grants	7(a)	145,740,775	87,328,496
Rendering of Services	8	774,800	1,110,640
Sale of Goods	9	435,000	594,000
Other Income	10	67,775	877,350
<b>Total Receipts</b>		<b>147,093,310</b>	<b>92,685,084</b>
<b>Payments</b>			
Use of Goods and Services	11	81,196,121	146,352,291
Employee Costs	12	87,753,135	55,150,817
Remuneration to Directors	13	10,929,258	7,166,405
Depreciation and Amortization Expense	14	178,910,706	170,886,789
Repairs and Maintenance	15	2,229,434	5,294,682
Contracted Services	16	5,997,518	922,297
<b>Total Payments</b>		<b>367,016,172</b>	<b>385,773,281</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(219,922,862)</b>	<b>(293,088,197)</b>
<b>Net Cash Flows from Operating Activities</b>	25	<b>55,461,736</b>	<b>(50,300,434)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Property, Plant, Equipment and Intangible Assets	21A	(749,897,811)	(1,033,518,860)
Work In Progress	22	(1,576,287,418)	38,447,642
<b>Net Cash Flows used in Investing Activities</b>		<b>(2,326,185,229)</b>	<b>(995,071,218)</b>
<b>Cash Flows from Financing Activities</b>			
Loan- ADB Kenya Towns Sustainable WS & SP	24	1,547,984,593	707,494,626
ADB (WSBSP) Loan Account receipts	28	168,255	(1,784)
Gratuity	27	624,811	1,079,929
Capital Reserves	26	1,568,000,000	397,750,000
<b>Net Cash Flows used in Financing Activities</b>		<b>3,116,777,659</b>	<b>1,106,322,770</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>846,054,166</b>	<b>60,951,118</b>
Cash and Cash Equivalents at 1 July 2019	17	97,927,542	36,976,424
<b>Cash and Cash Equivalents at 30 June 2020</b>	17	<b>943,981,708</b>	<b>97,927,542</b>

**XVI**

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
FOR THE YEAR ENDED 30 JUNE 2020**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Performance difference%	Performance difference Notes
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020		
	KES	KES	KES	KES	KES		
<b>Revenue</b>							
Board's Administrative Cost fee	15,000,000	-	15,000,000	4,220,904	(10,779,096)	-72%	Note 1
Government Recurrent Grants	140,000,000	30,000,000	170,000,000	145,740,775	(24,259,225)	-14%	Note 2
Other Income	2,582,000	-	2,582,000	1,277,575	(1,304,425)	-51%	Note 3
<b>Total Income</b>	<b>157,582,000</b>	<b>30,000,000</b>	<b>187,582,000</b>	<b>151,239,254</b>	<b>(36,342,746)</b>		
<b>Expenses</b>							
Use of Goods & Services	78,417,000	-	78,417,000	78,331,917	85,083	0%	
Employee costs	92,292,000	-	92,292,000	87,753,135	4,538,865	5%	
Board Expenses	13,492,000	-	13,492,000	10,929,258	2,562,742	19%	Note 4
Repairs and Maintenance	2,381,000	-	2,381,000	2,229,434	151,566	6%	
Contracted Professional Services	1,000,000	-	1,000,000	5,997,518	(4,997,518)	-500%	Note 5
Provision for Bad & Doubtful Debts	-	-	-	(362,835)	362,835	0%	Note 6
<b>Total Expenditure</b>	<b>187,582,000</b>	<b>-</b>	<b>187,582,000</b>	<b>184,878,427</b>	<b>2,703,573</b>		
<b>Surplus/Deficit for the period</b>	<b>(30,000,000)</b>	<b>30,000,000</b>	<b>-</b>	<b>(33,639,173)</b>	<b>-</b>		

**Explanation of Performance Difference Notes**

*Note 1:* The performance difference of (-) 72% is due to decreased income from WSPs following an advisory from WASREB (WASREB/LEGAL/582 VOL/32) to WSPs advising them not to be invoiced by the Agency since water Provision is a devolved function. In addition, County Governments directed WSPs not to remit Board Administrative Cost Fee.

*Note 2:* The performance difference of (-) 14% is due to less Recurrent Grants received than budgeted.

*Note 3:* The performance difference of (-) 51% is due to decrease in other incomes due to decreased revenue received from tender sales, Exhauster Service Charges and Water Bowser Charges.

*Note 4:* The performance difference of (+) 19% is due to it was budgeted that the Board members will have project visits during the fourth quarter which did not happen due the covid 19 pandemic.

*Note 5:* The performance difference of (-) 500% is due to contingent liabilities for legal fees for FY 2018/2019, which judgement was issued during FY 2019/2020 in favour of the plaintiff. Following the Government policy to clear all pending bills this expenditure was paid using the savings arising from Employee Costs and Board Expenses.

*Note 6:* Provision for bad & doubtful debts relates to 10% General provision for bad and doubtful debts of KES 414,595 and KWSP Expenses of KES 51,760.

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

### **1. GENERAL INFORMATION**

The Tana Water Works Development Agency (TWWDA) formerly Tana Water Services Board (TWSB) was established under section 65 of the Water Act 2016 vide legal notice no. 27 of 26<sup>th</sup> April 2019. The Agency is a state corporation currently under the Ministry of Water, Sanitation and Irrigation.

The Agency's principal activity is to develop sustainable National Water and Sanitation Public Works within TWWDA area of jurisdiction that enhances socio-economic growth for our stakeholders.

### **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 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 Agency's accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Agency.

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

### **3. ADOPTION OF NEW AND REVISED STANDARDS**

- i. The Agency did not adopt revised/new/amendments standards effective for the year ended 30 June 2020 this was because the changes to the standard will have no impact on the Agency's operation

- ii. **Early adoption of standards**

The Agency did not early – adopt any new or amended standards in year 2019/2020.

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

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

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

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Agency and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognized:-

- **Grants**

Grant from Government and Development partners is recognized as capital reserves.

- **Board Administrative Costs Fees**

This relates to Water Service Providers (WSPs) share of Board administrative costs.

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

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

The Agency recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

###### **Interest income**

Interest income is accrued on a time proportion basis, by reference to the principal amount outstanding and the effective interest rate applicable.

##### **b) Budget information**

The original budget for FY 2019/2020 was approved by the Board Members on 6<sup>th</sup> February 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the Board. The additional appropriations are added to the original budget by the Agency upon receiving the respective approvals in order to conclude the final budget.

The Agency'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.

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 on page 5-7 of these financial statements.

**c) Taxation**

The Agency is a non-commercial State Corporation established under the Water Act, 2016 Section 65 and is funded fully by the exchequer to implement National public Water and Sanitation Works on behalf of the National Government and therefore the operations of the Agency are not for profit and hence does not pay taxes.

**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 Agency recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**e) Research and development costs**

The Agency capitalises research and development costs on an individual project basis when it can be demonstrated that:

- The technical feasibility of completing the asset will be available for use
- Its intention to complete and its ability to use the asset
- the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

## **f) Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through loans and borrowings.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

## **g) Inventories**

Inventories are stated at lower of cost and net realizable value.

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

## **h) Provisions**

Trade Debtors are recognized and carried at the net Board's Administrative costs fee less a general provision for bad and doubtful debts at 10% as at the balance sheet date. The general practice in the Industry reveals that revenue collection rate ranges between 90 – 95 % of the billing. However, this will be affected since WSPs in the Agency area are reluctant to remit the Board Administration cost fee as Water Provision Services is a devolved function.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

## **Contingent liabilities**

The Agency does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

## **Contingent assets**

The Agency does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

## **i) Nature and purpose of reserves**

The Agency maintains and creates reserves in terms of specific requirements. The Agency maintains the following reserves;

- **Capital Reserves** – This relates to the development grants allocated by the government including the grants from development partners.

- **Deficit for the year** – This relates to expenses recognised in the statement of Financial Performance whose corresponding income is a grant reflected in the Capital Reserve Account.

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

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

**k) Employee benefits**

**Retirement benefit plans**

The Agency provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an Agency pays fixed contributions into a separate Agency (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.

**Gratuity Fund**– This is a sinking fund set for the purposes of payment of senior management staff upon expiry of their employment contract. This is calculated at 31% of their basic salary as per their employment contracts.

**l) Foreign currency transactions**

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

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

**m) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized upon completion of the acquiring or construction of the asset.

**n) Related parties**

The Agency regards the following as related parties:

- Government – The Agency gets Grants from the Government. During the Financial year the received Recurrent Grants amounting to KES 145,740,775 and Development Grants amounting to KES 1,568,000,000.
- Water Companies under the Agency’s jurisdiction who remits Board Administrative Costs Fee. During the reporting period the Board Administrative Cost Fee was KES. 74,960.
- Board Members – During the financial year the Board expenses amounted to KES 10,929,258.

- Management – The Agency’s management comprises of the Chief Executive Officer and Senior Managers. During the financial year the Management salaries amounted to KES 39,428,450.

**o) 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 various commercial banks at the end of the financial year.

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 on page 5-7 of these financial statements.

**p) Comparative figures**

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

**q) 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, 2020.

## 5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Agency'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.

### **Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation. Depreciation is calculated on a reducing balance basis over the expected useful life of the assets. The annual rates of depreciation are as follows: -

Motor Vehicles, motor bikes and boats	25%
Furniture and Fittings	12.5%
Plant and Equipment	20%
Computer and Accessories	33.3%
Water Infrastructure/Schemes	2.5%

### **Amortization for Capital Grants**

Capital grants relates to various assets which were donated by Kenya Water Sanitation Programme (KWSP), Gesellschaft für Technische Zusammenarbeit (GTZ) and Ministry of Water, Sanitation & Irrigation (MWSI) at the formation of the Agency. Amortization is calculated on a reducing balance basis using the respective asset items annual rate as follows:-

Motor Vehicles and motor bikes	25%
Furniture and Fittings	12.5%
Computer and Accessories	33.3%

### ***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 Agency based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Agency. 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:

- The condition of the asset based on the assessment of experts employed by the Agency
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

***Provisions***

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. The management made the following provisions in FY 2019/2020;

- General provision for bad and doubtful debts at 10%

#### 6. Board Administrative Costs fee

Description	2019/2020	2018/2019
	KES	KES
Board Administrative Costs fee* - Annex I	74,960	2,774,598
<b>Total</b>	<b>74,960</b>	<b>2,774,598</b>

\* Board Administrative Cost Fees relates to revenue collected from Murugi Mugumango Water Association.

#### 7(a) Transfers from other Governments

Description	2019/2020	2018/2019
	KES	KES
<b>Unconditional Grants</b>		
GoK Recurrent Grants - Received by TWWDA	139,999,999	77,600,000
GoK Grants - Salaries paid to Seconded Staff	5,740,776	9,728,496
<b>Total Government Grants and Subsidies</b>	<b>145,740,775</b>	<b>87,328,496</b>

#### 7(b). Transfers from Ministry

Name of the Entity Sending the Grant	Amount Recognized in Statement of Comprehensive Income	Amount Recognized in Capital Reserve Fund	Total grant income during the year
	KES	KES	KES
Ministry of Water, Sanitation and Irrigation	139,999,999	1,568,000,000	1,707,999,999
<b>Total</b>	<b>139,999,999</b>	<b>1,568,000,000</b>	<b>1,707,999,999</b>

#### 8. Rendering of Services (A-in-A)

Description	2019/2020	2018/2019
	KES	KES
Exhauster Services Charges*	774,800	1,110,640
<b>Total Rendering of Services</b>	<b>774,800</b>	<b>1,110,640</b>

\*The decrease in Exhauster Service Charges is due to increased competition from the private enterprises.

#### 9. Sale of Goods (A-in-A)

Description	2019/2020	2018/2019
	KES	KES
Water Booser Charges*	435,000	594,000
<b>Total Sale of Goods</b>	<b>435,000</b>	<b>594,000</b>

*\* Water bowser truck was relocated to Nairobi County to supplying water in areas without water as a measure of preventing spreading of Covid 19, thus resulting to decrease in water bowser charges.*

**10. Other Income (A-in-A)**

<b>Description</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KES</b>	<b>KES</b>
Sale of Tenders*	46,000	432,000
Sale of old tyres**	21,775	-
Sale of trees***	-	445,350
<b>Total Other Income</b>	<b>67,775</b>	<b>877,350</b>

*\* The decrease in Sale of Tender Documents was a result of the Agency uploading the tenders where many bidders opted to download the tenders from the Agency website.*

*\*\* This relates to the sale of used old tyres.*

*\*\*\* There were no trees sold during the reporting period.*

## 11. Use of Goods and Services

The following are included in Use of Goods and Services Expenses;

Description	2019/2020	2018/2019
	KES	KES
Electricity*	948,729	750,901
Water**	55,118	51,879
Security	1,721,780	1,746,380
Professional and Subscription fees	222,650	244,850
Advertising & Publicity***	1,550,811	1,127,315
ASK Show Costs	1,043,800	1,420,700
Audit fees	580,000	580,000
Conferences and Meetings	1,727,100	1,808,700
Consumables - Office & House Keeping	1,833,313	1,834,920
Fuel and lubricants	5,752,860	6,276,535
Staff Insurances - Medical & Group Life****	14,947,216	10,539,303
Work Injury and Staff GPA****	449,628	347,718
Property Insurance	70,258	52,905
Motor Vehicle Insurances	2,116,425	2,192,470
Travelling & Subsistence	16,721,306	19,857,127
Foreign Travel	636,714	2,931,063
Postage and Courier	264,604	141,525
Publishing, Printing and stationery	6,704,312	6,837,428
Cleaning costs and Ground Maintenance*****	974,300	419,000
Telecommunication/Telephone	1,872,122	1,871,252
Training	706,873	1,089,960
Internet and Networking	497,548	462,780
Computer Stationery and Accessories	4,959,639	5,044,721
Library	268,800	440,760
Catering Services	2,715,548	2,725,304
<b>Sub Total</b>	<b>69,341,454</b>	<b>70,795,496</b>

\*During FY 2018/2019 part of electricity cost was paid by Nyeri County Government (Department of Water)

\*\*During FY 2018/2019 part of water cost was paid by Nyeri County Government (Department of Water)

\*\*\*The increase in Advertising cost is as a result of issue of addendum for extension of submission of tenders as a measure of preventing spreading of COVID-19.

\*\*\*\*The increase in Medical Insurance, Group Life, Work Injury and Staff GPA cost is as a result of absorption of staff who were on short term contracts to permanent and pensionable terms.

\*\*\*\*\*The increase in Cleaning costs and Ground Maintenance cost is as a result of inclusion of TWWDA ground maintenance in the FY 2019/2020 contract.

<b>Description</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KES</b>	<b>KES</b>
Staff Welfare	1,584,376	1,620,550
Workshop & Seminars	4,376,500	4,384,678
Laboratory Materials & Equipments	85,608	101,016
Exhauster Services Costs	1,494,480	2,085,075
Water Boozer Costs	587,066	537,470
ISO 9000 QMS and Transition to ISO 9001:2015 QMS	1,372,419	1,348,760
ADB GoK Counterpart Expenses - Murang'a Bulk	-	50,000
ADB GoK Counterpart Expenses - Small Towns	-	140,200
Feasibility Study	-	77,700
Drought Mitigation Intervention	-	21,856,394
Sagana Restoration Project expenses	-	1,774,576
Computer Software licences & Maintenance	1,003,357	1,388,493
General Prov. Bad and Doubtful debts	(414,595)	(1,670,469)
Specific Prov. Bad and Doubtful debts	-	5,579,273
WASREB	-	79,102
ADB GoK Counterpart Expenses - Kenya Towns Sustainable Water Supply & Sanitation	-	35,897,155
KWSP Expenses*	51,760	-
Corporate Social Responsibility	151,200	175,000
Strategic Plan**	1,384,000	-
Bank Charges***	178,496	131,822
<b>Sub Total</b>	<b>11,854,667</b>	<b>75,556,795</b>
<b>Use of Goods &amp; Services</b>	<b>81,196,121</b>	<b>146,352,291</b>

\*This relates to long outstanding imprest written off. The imprest was issued on 26th March 2007 to G.K Mathu who used to work with the Ministry and the Agency is not in a position to trace him.

\*\*This relates to the cost reviewing TWWDA strategic plan to align it with TWWDA mandate.

\*\*\*The increase in bank charges is due to increase in projects being implemented by the Agency resulting to increase in charges incurred while making payments to contractors via RTGS.

## 12. Employee Costs

Description	2019/2020	2018/2019
	KES	KES
Salaries and Wages*	54,053,317	32,775,773
Contributions to Pension*	3,701,001	1,224,122
Commuter Allowances*	4,205,500	2,445,600
Housing Allowances*	12,135,590	6,974,456
NSSF-Employer Contribution	36,200	48,400
Gratuity**	4,980,690	2,607,844
Leave Allowance***	4,367,534	1,562,806
Salary Top Ups****	4,273,303	7,511,816
<b>Employee Costs</b>	<b>87,753,135</b>	<b>55,150,817</b>
<b>Staff Establishments</b>	<b>69</b>	<b>76</b>

\* Increase in Salaries and wages, commuter allowance and house allowances is attributed to;

(i) Increase in salary of the 31 existing staff following the implementation of the SRC recommended salary structure.

(ii) Absorption of 20 seconded staff into TWWDA staff establishment.

(iii) Change of employment terms of 13 contract staff to permanent and pensionable.

(iv) Salary paid to Interns attached to the Agency during the reporting period.

\*\* Increase in Gratuity is attributed to;

(i) Increase in basic salary of staff on 3 years contract thereby increasing Gratuity contribution.

(ii) Absorption of 20 seconded staff into TWWDA staff establishment whereby 4 of them were absorbed on contractual basis, thereby increasing Gratuity contribution.

\*\*\* Increase in Leave allowance is due to increase in basic salary as the leave allowance is equal to the basic salary and change of terms of contract staff to permanent and pensionable.

\*\*\*\*The decrease in salary top ups is due to absorption of 20 seconded staff into TWWDA staff establishment and releasing of 4 staff to the County Government of Nyeri with effect from 1st January 2020.

The Employee Costs includes salaries amounting to KES 5,740,776 paid by the County Government of Nyeri, Murang'a and the Ministry of Water, Sanitation and Irrigation for the of months of July 2019 to December 2019.

### 13. Remuneration of Directors

Description	2019/2020	2018/2019
	KES	KES
Chairman's Honoraria*	960,000	100,000
Sitting Allowance, Accommodation & Travel**	9,139,590	6,918,772
Directors Medical & GPA Insurance***	829,668	147,633
<b>Total Board Expense</b>	<b>10,929,258</b>	<b>7,166,405</b>

\* During FY 2018/2019 chairman's honoraria is only for two months (May and June 2019) since the Board chairman was appointed on February 2019 but TWWDA was gazetted in the month of May 2019. In addition, during FY 2019/2020 chairman's honoraria was paid at KES 80,000 per month as per Inspectorate of State Corporation circular OP.1/46A/ISC/VOL/12 dated 9th May 2008 which states that honoraria to be paid up to a maximum of KES 80,000.

\*\* During FY 2018/2019 terms of 4 Board Members terms lapsed on 1st October 2018 and new Board Members were appointed on 7th February 2019 but commenced business in May 2019 when TWWDA was gazetted. In addition during FY 2019/2020 the Agency had all the required Board members.

\*\*\*This relates to medical and GPA insurance premiums for Board members during the reporting period.

### 14. Depreciation and Amortization Expense

Description	2019/2020	2018/2019
	KES	KES
Property, Plant and Equipment	178,910,706	170,886,789
<b>Total Depreciation and Amortization</b>	<b>178,910,706</b>	<b>170,886,789</b>

### 15. Repairs and Maintenance

Description	2019/2020	2018/2019
	KES	KES
Property	356,280	708,330
Computer	638,900	1,186,255
Vehicles	1,234,254	3,400,097
<b>Total Repairs and Maintenance</b>	<b>2,229,434</b>	<b>5,294,682</b>

• **16. Contracted Services**

<b>Description</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KES</b>	<b>KES</b>
Consultancy	5,997,518	922,297
<b>Total Contracted Services*</b>	<b>5,997,518</b>	<b>922,297</b>

*\*This relates to part of legal fee cost that was disclosed in FY 2018/2019 Financial Statements that was paid during the reporting period and costs for customer satisfaction surveys. However, there is pending legal fees of KES 2,260,965 which relates to contingent liabilities for litigations which were continuing and had not yet been concluded and determined as at 30th June 2020.*

### 17(a) Cash and Cash Equivalents

Description	2019/2020	2018/2019
	KES	KES
Current Account	943,918,390	97,881,401
Others	63,318	46,141
<b>Total Cash and Cash equivalents</b>	<b>943,981,708</b>	<b>97,927,542</b>

### 17(b) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account Number	2019/2020	2018/2019
<b>a) Current Account</b>			
Kenya Commercial Bank - Nyeri Branch	1101-992-220 GOK Recurrent	20,592,705	15,488,792
	1101-996-188-Gratuity	3,816,541	3,347,179
	1101-998-733 -Development Account*	916,970,128	76,686,076
	1127-326-287- Exhauster Services	18,421	7,014
	1208-789-120 ADB (WSBSP) Loan	2,520,595	2,352,340.00
<b>Sub Total</b>		<b>943,918,390</b>	<b>97,881,401</b>
<b>b) Others</b>			
Cash in Hand		63,318	46,141
<b>Sub Total</b>		<b>63,318</b>	<b>46,141</b>
<b>Total</b>		<b>943,981,708</b>	<b>97,927,542</b>

\* The Balance includes KES 154,311,607 for Gok Counterpart Funds for Kenya Towns Sustainable Water Supply and Sanitation Programme.

### 18. Receivables

Current Receivables	2019/2020	2018/2019
	KES	KES
Trade debtors - Annex II (a)	336,784,857	340,516,207
Exhauster & WaterBowser Debtors - Annex II (b)	3,187,693	2,968,024
Staff imprest	-	51,760
Payroll debtors - Salary Advances - Annex III	85,000	28,000
Deposits	18,490	18,490
Gatamathi Water Company	100,000	-
Deposit - Fuel Cards*	1,000,000	1,000,000
<b>Total Current Receivables</b>	<b>341,176,040</b>	<b>344,582,481</b>

\* This relates to a bank guarantee in favour of Total Kenya Ltd as a security for fuel consumed by TWWDA vehicles.

#### 19. Inventories

Description	2019/2020	2018/2019
	KES	KES
Office Stationeries	426,130	177,224
<b>Total inventories at the lower of cost and net realizable value</b>	<b>426,130</b>	<b>177,224</b>

*There are water meters of KES 28,554,463 in store as at 30th June 2020 awaiting issuance to Water Service Providers.*

#### 20. Prepayments

Description	2019/2020	2018/2019
	KES	KES
Directors Medical & GPA Insurances	197,760	-
Staff Insurances - Medical & Group Life	3,969,294	2,598,000
Motor Vehicles Insurance	321,482	509,013
Work Injury and Staff GPA	69,170	103,777
Property Insurance	10,802	16,249
<b>Total Prepayments</b>	<b>4,568,508</b>	<b>3,227,039</b>

**21 A. Property, Plant and Equipment**

	Land and Buildings	ADB Project	Water Infrastructure	Kahuti Scheme	Motor Vehicles	Furniture and Fittings	Plant and Equipment	Computers and Printers	Total
Cost	KES	KES	KES	KES	KES	KES	KES	KES	KES
At 1 July 2018	59,230,937	3,720,307,400	2,559,876,772	17,770,088	90,540,030	5,454,884	10,287,572	36,805,591	6,500,273,274
Additions	26,007,395		1,006,342,191			137,250		1,032,024	1,033,518,860
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustment	-	-	-	-	-	-	-	-	-
<b>At 30 June 2019</b>	<b>85,238,332</b>	<b>3,720,307,400</b>	<b>3,566,218,963</b>	<b>17,770,088</b>	<b>90,540,030</b>	<b>5,592,134</b>	<b>10,287,572</b>	<b>37,837,615</b>	<b>7,533,792,134</b>
Additions	245,111,611		498,477,496			266,585	-	6,042,119	749,897,811
Disposals	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
<b>At 30 June 2020</b>	<b>330,349,943</b>	<b>3,720,307,400</b>	<b>4,064,696,459</b>	<b>17,770,088</b>	<b>90,540,030</b>	<b>5,858,719</b>	<b>10,287,572</b>	<b>43,879,734</b>	<b>8,283,689,945</b>
<b>Depreciation and impairment</b>									
At 1 July 2018	-	356,637,988	298,594,120	4,655,791	78,870,442	3,618,246	8,413,911	33,418,544	784,209,042
Depreciation	-	84,091,735	81,690,621	327,857	2,917,397	237,431	374,732	1,247,016	170,886,789
Impairment	-	-	-	-	-	-	-	-	-
<b>At 30 June 2019</b>	<b>-</b>	<b>440,729,723</b>	<b>380,284,741</b>	<b>4,983,648</b>	<b>81,787,839</b>	<b>3,855,677</b>	<b>8,788,643</b>	<b>34,665,560</b>	<b>955,095,831</b>
Depreciation	-	81,989,442	92,110,293	319,661	2,188,048	226,773	299,786	1,776,703	178,910,706
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-	-
<b>At 30 June 2020</b>	<b>-</b>	<b>522,719,165</b>	<b>472,395,034</b>	<b>5,303,309</b>	<b>83,975,887</b>	<b>4,082,450</b>	<b>9,088,429</b>	<b>36,442,263</b>	<b>1,134,006,537</b>
<b>Net book values</b>									
At 30 June 2020	330,349,943	3,197,588,235	3,592,301,425	12,466,779	6,564,143	1,776,269	1,199,143	7,437,471	7,149,683,408
At 30 June 2019	85,238,332	3,279,577,677	3,185,934,222	12,786,440	8,752,191	1,736,457	1,498,929	3,172,055	6,578,696,303

**21 B. Amortization of Capital Grant**

	<b>Motor Vehicles</b>	<b>Furniture and Fittings</b>	<b>Computers and Accessories</b>	<b>Total</b>
<b>Cost</b>	<b>KES</b>	<b>KES</b>	<b>KES</b>	<b>KES</b>
At 1 July 2018	9,506,000	984,960	2,769,822	13,260,782
Additions	-	-	-	-
Disposals	-	-	-	-
Transfers/adjustments	-	-	-	-
<b>At 30 June 2019</b>	<b>9,506,000</b>	<b>984,960</b>	<b>2,769,822</b>	<b>13,260,782</b>
Additions	-	-	-	-
Disposals	-	-	-	-
Transfer/adjustments	-	-	-	-
<b>At 30 June 2020</b>	<b>9,506,000</b>	<b>984,960</b>	<b>2,769,822</b>	<b>13,260,782</b>
<b>Amortization</b>				
At 1 July 2018	9,280,164	818,474	2,755,518	12,854,156
Amortization	56,459	20,811	4,768	82,038
Impairment	-	-	-	-
<b>At 30 June 2019</b>	<b>9,336,623</b>	<b>839,285</b>	<b>2,760,286</b>	<b>12,936,194</b>
Amortization	42,344	18,209	3,175	63,728
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer/adjustment	-	-	-	-
<b>At 30 June 2020</b>	<b>9,378,967</b>	<b>857,494</b>	<b>2,763,461</b>	<b>12,999,922</b>
<b>Net book values</b>				
<b>At 30 June 2020</b>	<b>127,033</b>	<b>127,466</b>	<b>6,361</b>	<b>260,860</b>
<b>At 30 June 2019</b>	<b>169,377</b>	<b>145,675</b>	<b>9,536</b>	<b>324,588</b>

## 22. Work In Progress

### 22 (a) GoK Funded Projects

Description	2019/2020	2018/2019
	KES	KES
Refurbishment of Maji House	7,979,709	4,270,210
Mathira Community Water Projects	292,534,523	254,486,646
Ndia Karuiru Water Project	1,200,000	400,000
Kamumu Dam	6,518,287	6,518,287
Rupingazi Dam	1,115,516	1,115,516
Thambana Dam	1,115,514	1,115,514
Imenti Central Water Project	1,422,500	960,000
Iraru Dam	29,500	29,500
Kathita Dam	2,054,637	2,020,237
Mariara Dam	514,420	514,420
Ura Dam	-	32,182,822
Kianjuri Dam	-	54,119,071
Marania Dam	821,400	821,400
Mukurwe-ini Water Project	17,969,075	17,969,075
National Water Harvesting and Ground Exploitation	65,678,183	3,470,092
Kamwene Water Project	-	537,250
Water for Schools	43,610,999	771,676
Cross County Water Projects	19,718,516	-
Embu Water Projects	2,796,589	-
Wahundura - Iruri Water Project	2,000,000	-
Small and Medium Sized - Maara Dams	11,603,669	-
Feasibility Study	1,339,150	-
Drought Mitigation Intervention	37,159,766	-
Sagana Restoration Project expenses	585,750	-
World Water Day	5,830,227	-
COVID -19	5,038,024	-
Water Meters	10,228,000	-
<b>Sub-total</b>	<b>538,863,954</b>	<b>381,301,716</b>

### 22 (b) ADF Loan - Small Towns & Rural Water Supply & Sanitation Projects

Description	2019/2020	2018/2019
	KES	KES
Water Meters	-	108,257,280
Pipes and Fittings	-	80,857,775
<b>Sub-total</b>	<b>-</b>	<b>189,115,055</b>

## 22 (c) ADB Loan - Kenya Towns Sustainable Water Supply & Sanitation Projects

### 1. Tana Water Works Development Agency

Description	2019/2020	2018/2019
	KES	KES
Consultancy Services	178,029,829	123,063,790
Works	959,122,208	100,027,889
ADB GoK Counterpart Expenses - Kenya Towns Sustainable Water Supply & Sanitation	54,211,933	-
<b>Sub Total</b>	<b>1,191,363,970</b>	<b>223,091,679</b>

### 2. Northern Water Works Development Agency

Description	2019/2020	2018/2019
	KES	KES
Consultancy Services	133,982,474	123,275,600
Works	1,175,240,813	552,023,452
ADB GoK Counterpart Expenses - Kenya Towns Sustainable Water Supply & Sanitation	5,643,709	-
<b>Sub Total</b>	<b>1,314,866,996</b>	<b>675,299,052</b>
<b>Total ADB -Kenya Towns</b>	<b>2,506,230,966</b>	<b>898,390,731</b>
<b>Total Work In Progress</b>	<b>3,045,094,920</b>	<b>1,468,807,502</b>

*Payments for ADB Funded Projects land acquisitions are included in Note 21 A - Property, Plant & Equipment under Land additions.*

### 23. Trade and Other Payables from Exchange Transactions

Description	2019/2020	2018/2019
	KES	KES
Trade payables - Annex IV	163,948,382	39,290,556
Mewass	-	30,000,000
<b>Total Trade and Other Payables</b>	<b>163,948,382</b>	<b>69,290,556</b>

**24. Borrowings**

**24(a). ADF Loan No. 2100150015546 ID No. P-KE-E00-005**

**1. ADF Loan - Water Services Board Support Projects**

Description	2019/2020	2018/2019
	KES	KES
(i) Loan Revenue - Special Account	15,903,200	15,903,200
(ii) Direct Payments	1,436,972,129	1,436,972,129
External borrowings during the year	-	-
Repayment of external borrowings during the year	-	-
<b>Balance at the end of the period</b>	<b>1,452,875,329</b>	<b>1,452,875,329</b>

*The total Borrowings are non-current liabilities. The purpose of the loan was for infrastructure development and the security is The National Treasury. The loan was rendered at an interest rate of 3% per annum over a period of 30 years including a grace period of 5 years. The grace period of 5 years is from the date of closure of the loan and the loan was closed in August 2015 and therefore the loan is due from October 2020.*

**2. ADF Loan - Small Towns & Rural Water Supply & Sanitation Projects No. 2100150021543 ID. No. P-KE-E00-007**

Description	2019/2020	2018/2019
	KES	KES
Balance at the beginning of the period;		
(i) Loan Revenue - Special Account	24,710,700	24,710,700
(ii) Direct Payments	1,895,804,378	1,895,804,378
External borrowings during the year	-	-
Repayment of external borrowings during the year	-	-
<b>Balance at the end of the period</b>	<b>1,920,515,078</b>	<b>1,920,515,078</b>
<b>Total ADF Loan</b>	<b>3,373,390,407</b>	<b>3,373,390,407</b>

*The total Borrowings are non-current liabilities. The purpose of the loan was for infrastructure development and the security is The National Treasury. The loan was rendered at an interest rate of 3% per annum over a period of 30 years including a grace period of 5 years. The grace period of 5 years is from the date of closure of the loan and the loan was closed in June 2017 and therefore the loan is due from October 2022.*

**24(b). ADB Loan No. 2000200000501 Project No. P-KE-E00-011**  
**ADB Kenya Towns Sustainable Water Supply & Sanitation Program**

**1. Tana Water Works Development Agency**

Description	2019/2020	2018/2019
	KES	KES
Balance at the beginning of the period;	223,091,679	115,175,790
External borrowings during the year	914,060,358	107,915,889
Repayment of external borrowings during the year	-	-
<b>Balance at the end of the period</b>	<b>1,137,152,037</b>	<b>223,091,679</b>

**2. Northern Water Works Development Agency**

Description	2019/2020	2018/2019
	KES	KES
Balance at the beginning of the period;	675,299,052	75,720,315
External borrowings during the year	633,924,235	599,578,737
Repayment of external borrowings during the year	-	-
<b>Balance at the end of the period</b>	<b>1,309,223,287</b>	<b>675,299,052</b>
<b>Total ADB Loan</b>	<b>2,446,375,324</b>	<b>898,390,731</b>
<b>Less: Total Current Portion of Bank Loans</b>	<b>-</b>	<b>-</b>
<b>Total Non-Current Borrowings (ADF loan +ADB Loan)</b>	<b>5,819,765,731</b>	<b>4,271,781,138</b>

**25. Cash Generated from Operations**

Description	2019/2020	2018/2019
	KES	KES
<b>Surplus for the year before tax</b>	<b>(280,103,779)</b>	<b>(293,088,197)</b>
Adjusted for:		
Depreciation	178,910,706	170,886,789
<b>Working capital adjustments:</b>		
Increase in inventory	(248,906)	127,331
Decrease in receivables	3,406,441	16,993,763
Increase in payables	94,657,826	54,660,780
Increase in Prepayments	(1,341,469)	119,100
<b>Net cash flows from operating activities</b>	<b>(4,719,181)</b>	<b>(50,300,434)</b>

## 26. Capital Reserves

Description	2019/2020	2018/2019
	KES	KES
Balance b/f	5,168,385,113	4,770,635,113
GoK Development Grants*	61,250,000	323,750,000
Water for Schools**	27,000,000	27,000,000
Drought Mitigation ***	26,000,000	47,000,000
Cross County Water Projects	232,500,000	-
National Water Harvesting and Ground Exploitation****	132,500,000	-
Maua Water Supply, Sewerage and Drainage	375,000,000	-
Mathira Water Project	33,750,000	-
ADB GoK Counterpart - Kenya Towns WSSP	300,000,000	-
Maara Dams	375,000,000	-
Water Meters	5,000,000	-
	<b>6,736,385,113</b>	<b>5,168,385,113</b>

\*This relates to Development Grants for FY 2018/19 which was received on 4th July 2019.

\*\* This relates to Water for Schools Grants for FY 2018/19 which was received on 8th July 2019.

\*\*\*This relates to Drought Mitigation Grants for FY 2018/19 which was received on 15th July 2019

\*\*\*National Water Harvesting and Ground Exploitation Grants includes of KES 77,500,000 for settling pending bills which relates to FY 2018/19 which was received on 8th June 2020.

## 27. Accumulated Fund

Description	2019/2020	2018/2019
	KES	KES
Balance Brought Forward	(1,018,391,056)	(726,382,788)
Surplus/Deficit for the Period	(219,922,862)	(293,088,197)
Amortisation of capital grant	63,728	82,038
Capital Grant b/f	(324,588)	(406,626)
Gratuity Fund	624,811	1,079,929
Capital Grant	260,860	324,588
	<b>(1,237,689,107)</b>	<b>(1,018,391,056)</b>

## 28. ADB Loan Repayment Fund

Description	2019/2020	2018/2019
	KES	KES
Balance Brought Forward	2,352,340	-
Murang'a South	-	2,000,000
Kahuti	169,320	338,640
Interest Income	-	18,550
Bank charges	(1,065)	(4,850)
	<b>2,520,595</b>	<b>2,352,340</b>

## 29. Deficit Analysis

Description	2019/2020	2018/2019
	KES	KES
Depreciation for the period*	178,910,706	170,886,789
Specific Provision	-	5,596,273
General Provision (Decrease)*	(414,595)	(1,670,469)
	<b>178,496,111</b>	<b>174,812,593</b>
Expensed Project Administrative Expenses/Costs**	93,317,909	105,286,135
Board Administrative Cost Fee Arrears***	4,145,944	12,989,469
	<b>275,959,964</b>	<b>293,088,197</b>

\* These are non-cashflow items included in the Statement of Financial Performance.

\*\* This relates to project administrative expenditures incurred and expensed during the reporting period as follows;

\*\*\*These relate to expenses paid from arrears collected from WSPs during the reporting period and utilized to finance FY 2019/2020 expenditures. This income was accounted for in the previous accounting periods.

### 30. FINANCIAL RISK MANAGEMENT

The Agency's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Agency'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 Agency 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 Agency's financial risk management objectives and policies are detailed below:

#### (i) Credit risk

The Agency has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Agency's management based on prior experience and their assessment of the current economic environment.

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

	<b>Total Amount (KES)</b>	<b>Fully Performing (KES)</b>	<b>Past Due (KES)</b>	<b>Impaired (KES)</b>
<b>At 30 June 2020</b>				
Receivables from Non Exchange Transactions	341,176,040	-	341,176,040	-
Bank balances	943,981,708	943,981,708	-	-
<b>Total</b>	<b>1,285,157,748</b>	<b>943,981,708</b>	<b>341,176,040</b>	<b>-</b>
<b>At 30 June 2019</b>				
Receivables from Non Exchange Transactions	350,161,754	-	344,582,481	5,579,273
Bank balances	97,927,542	97,927,542	-	-
<b>Total</b>	<b>448,089,296</b>	<b>97,927,542</b>	<b>344,582,481</b>	<b>5,579,273</b>

The Water Service Providers under Receivables from Non Exchange Transactions are not paying their debts as they are under the County Government. The credit risk associated with these receivables is high and the allowance for uncollectible amounts that the Agency has recognised in the financial statements is considered not adequate to cover any potentially irrecoverable amounts.

The Board Members set the Agency's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Agency's Board Members, who have built an appropriate liquidity risk management framework for the management of the Agency's short, medium and long-term funding and liquidity management requirements. The Agency manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Agency 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
	KES	KES	KES	KES
<b>At 30 June 2020</b>				
Trade payables	1,706,366	142,303,298	19,938,718	163,948,382
<b>Total</b>				
<b>At 30 June 2019</b>				
Trade payables	21,453,132	30,455,481	17,381,943	69,290,556
<b>Total</b>	<b>22,675,748</b>	<b>172,758,779</b>	<b>37,320,661</b>	<b>233,238,938</b>

**(iii) Market risk**

The Agency has put in place an Internal Audit Function to assist it in assessing the risk faced by TWWDA on an on-going 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 Agency'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 Governance Committee.

The Agency's Management is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Governance Committee) and for the day to day implementation of those policies.

There has been no change to the Agency's exposure to market risks or the manner in which it manages and measures the risk.

**iv) Capital Risk Management**

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

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KES</b>	<b>KES</b>
Accumulated Fund	(1,237,689,107)	(1,018,391,056)
Capital Reserve	6,736,385,113	5,168,385,113
ADB Loan Repayment Fund	2,520,595	2,352,340
<b>Total funds</b>	<b>5,501,216,601</b>	<b>4,152,346,397</b>
<b>Total Borrowings</b>	<b>5,983,714,113</b>	<b>4,341,071,694</b>
Less: cash and bank balances	943,981,708	97,427,542
Net debt/(excess cash and cash equivalents)	5,039,732,405	4,243,644,152
<b>Gearing</b>	<b>91.6%</b>	<b>97.8%</b>

**31. RELATED PARTY BALANCES**

**Nature of related party relationships**

Entities and other parties related to Tana Water Works Development Agency 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 TWWDA, holding 100% of the Agency equity interest. The Government of Kenya has provided guarantees to current long term loan. Other related parties include:

- i) The National Treasury and Planning
- ii) The Ministry of Water, Sanitation and Irrigation
- iii) Water Service Providers.
- iv) Board Members
- v) Key Management Staff
- vi) Chief Executive Officer.

### Transactions with related parties

Particulars	2020	2019
	KES	KES
<b>A. Grants from Government</b>		
GoK Recurrent Grants	145,740,775	87,328,496
GoK Development Grants	1,568,000,000	397,750,000
<b>Total</b>	<b>1,713,740,775</b>	<b>485,078,496</b>
<b>B. Key Management Compensation</b>		
Board Members Allowances	10,929,258	7,166,405
Compensation to the CEO	8,485,200	6,887,200
Compensation to the Key Management	30,943,450	14,217,402
<b>Total</b>	<b>50,357,908</b>	<b>28,271,007</b>

### 32. CONTINGENT LIABILITIES

Contingent Liabilities	2019-2020	2018-2019
	KES	KES
Legal Fees	2,260,965	-
<b>Total</b>	<b>2,260,965</b>	<b>-</b>

This relates to pending legal fees for litigations which were continuing and had not yet been concluded and determined as at 30<sup>th</sup> June 2020.

**32. Events after the reporting period**

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

**33. Ultimate and Holding Entity**

The entity is a State Corporation under the Ministry of Water, Sanitation and Irrigation. It's ultimate parent is the Government of Kenya.

**34. Currency**

The Financial Statements are presented in Kenya Shillings (KES)

**APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR  
RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No on the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status	Time frame
	<p><b>1. Non- Current Assets</b> <b>1.1 Inherited Assets</b> The statement of Financial Position reflects non-current assets balance of KES 8,047,503,805 as at 30 June 2019. However, as previously reported, the Board inherited a number of non-current assets previously owned by the Ministry of Water and National Water Conservation and Pipeline Corporation, which have not been incorporated in the Board's financial statements for the year ended 30 June 2019. These assets include land and building (Maji House Nyeri), Water and Sewerage infrastructure assets of unknown value spread within its jurisdiction and fifteen motor vehicles and District Water Offices of unknown value. Further, as similarly noted in the previous year, the assets net book values of KES 8,752,191 as at 30 June 2019 disclosed under note 21A to financial statements include the value of four motor vehicles still bearing G.K registration numbers and which have not been transferred to the Board's name.</p>	<p>The former MWI and NWC&amp;PC transferred assets to TWWDA that were handed over to Water Service Providers. These assets have not been included in the financial statement because although the MWI contracted a consultant to undertake the valuation of assets and eventually handed over the draft valuation report, the value stated in the valuation report has not been formally agreed upon by the WSPs because some assets were not reflected in the valuation report. For this reason, the management of TWWDA has not officially tabled the report to the Board of Directors for adoption so that the assets can be included in the financial statements of the Board.</p> <p>It is important to note that the initial transfer plan has already expired. However, the MWS is</p>	<p>Eng M. M. Naivasha - Chief Executive Officer</p>	<p>TWWDA is a waiting for official communication from MWS on the implementation of the transfer plan.</p>	<p>Immediately once the communication from the parent Ministry on the implementation of transfer plan is received.</p>

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		<p>mandated to gazette the revised transfer plan and guide the water institutions on the road map towards its implementation. TWWDA is therefore waiting for official communication from MWS on the implementation of the transfer plan. In addition as indicated above the valuation report has not been formally agreed upon and some assets are not reflected in the valuation report leading to the exclusion of some assets in the Boards financial statements. However, the Board has made effort by requesting the Ministry of Water and sanitation to have the motor vehicles transferred to the Board</p>			
	<p><b>1.2 Grounded Motor Vehicles</b> The motor vehicle net book value balance of KES 8,752,191 as at 30 June 2019 excludes the seven grounded vehicles of unknown values and which have not been used by the Board for several years. No explanation was provided for failure to include these Motor vehicles in the asset register and financial statements. Consequently, the completeness and accuracy of motor vehicles balance of KES 8,752,191 at 30 June 2019 could not be confirmed</p>	<p>All the grounded motor vehicles are included in the Board Asset Register as at 30 June 2019. Except the value of the vehicles with GK registration, the values of the other vehicles are included in the motor vehicle balance of KES 8,752,191 as at 30 June 2019.</p>	<p>Eng M.M. Naivasha - Chief Executive Officer</p>	<p>TWWDA is a waiting for official communication from MWS on the value of GK registered vehicle</p>	<p>GK registered Motor Vehicles will immediately be entered in the asset register once the communication of the value from the parent Ministry received.</p>
	<p><b>1.3 Property, Plant and Equipment</b> Similarly and as previously reported, the Property plan and Equipment balance of</p>	<p>These assets have not been included in the</p>	<p>Eng M.M.</p>	<p>TWWDA is a waiting for</p>	

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<p>KES 6,578,696,303 as at 30 June 2019 excludes unknown value of a water boozer and several water tanks receive from the parent Ministry and which are being used by the Board. This has in effect understated the value of property, plant and equipment in the financial statement and commensurate depreciation.</p> <p>Further, the Japanese International Cooperation Agency (JICA) funded through a grant water project under Embu Water and Sanitation Company Limited, a Water Services Provider (WSP) under the jurisdiction of the Board. Although the Board estimates the cost of the project to be KES 2.3 billion, the assets developed under the project have not been included in the financial statements and no documentary evidence was provided in support of these costs.</p> <p>In addition, the Property, Plant and Equipment balance includes an amount of KES 26,252,205 in respect of Kiambere-Mwingi water supply project which is under the jurisdiction of Tanathi Water Services Board but whose initial development cost was borne by Tana Water Works Development Agency. Although the Board does not draw any benefits from Kiambere-Mwingi Water Project, the Board continues to reflect as assets the cost of these assets in its books and charges annual depreciation on the assets. In addition, no documentary evidence in respect of transfer of the project assets from Tana Water Works Development Agency to Tanathi Water Services Board was made available for audit verification.</p>	<p>financial statements as their values are yet to be given by the Ministry. However, the Board has requested the ministry to provide the values to enable the management include the assets in the subsequent years</p> <p>The projects under Taanathi were developed by TWWDA. The exclusion of these assets from TWWDA Financial Statements shall be effected after the official transfer is carried out between the two Boards. The official transfer of assets and liabilities has not stalled but it is expected to take place in due course because the exercise involves the Board of Directors and TWWDA Board of Directors had deliberated on this matter.</p>	<p>Naivasha - Chief Executive Officer</p> <p>Eng M.M. Naivasha - Chief Executive Officer</p>	<p>official communication from MWS on the values of these Asset Grants.</p> <p>TWWDA is awaiting for official transfer to be carried out between the two Agency</p>	<p>Immediately once the official transfer is carried out between the two Agency</p>
<p><b>1.4 Kariaini Dam – KES 21,835,388</b> Included in Property plant and equipment balance of KES 6,578,696,303 is KES 21,835,388 paid in respect to Kariaini Dam</p>	<p>Tana Water Works Development Agency is in the process of acquiring a parcel of land where the dam is being constructed. The</p>	<p>Eng M. M. Naivasha - Chief Executive Officer</p>	<p>Follow-up is being made to ensure that documentat ion of the</p>	

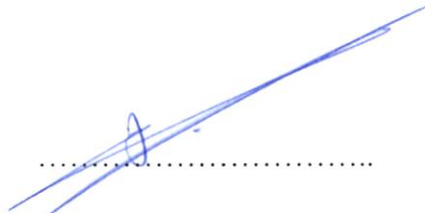
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	<p>construction in Tharaka Nithi County. Site verification of the dam, revealed the following anomalies;</p> <ul style="list-style-type: none"> <li>• Tana Water Works had not acquired the land where the dam is constructed as such it does not have the ownership documents. The ownership of the land still not registered in the name of the Agency.<sup>3</sup></li> </ul>	<p>management has undertaken the following process to ensure timely acquisition of the land;</p> <ul style="list-style-type: none"> <li>• A land sale agreement between the Agency and the land owners was drawn and signed by the relevant parties</li> <li>• The TWWDA Management has paid the initial down payment and the remaining balance shall be paid upon signing of land transfer documents as per the Sale Agreement</li> <li>• The management has acquired the land transfer consent authorizing sub division, transfer and issuance of new land parcel numbers from the land adjudicator since the land parcels are among others awaiting issuance of title deeds from Nairobi lands office. The adjudication officer serves as the</li> </ul>		<p>Land is acquired.</p>	
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<ul style="list-style-type: none"> <li>The dam, as at the time of the audit, was not complete. The spill way, the draw-off chamber among others were incomplete and there was no ongoing works at the site.</li> </ul>	<p>chairman on land administration issues in a given area of jurisdiction.</p> <p>The contractor was evicted from the site by the hostile land owners who claimed they had not been paid for the land, thereby delaying the construction works. Upon completion of land acquisition process, the contractor has agreed to resume construction works and complete the remaining component as per the contract agreement. It is important to note that the contractor has not been paid for the uncompleted components and retention money.</p>		<p>Follow up is being made to ensure the Contractor complete the works.</p>	
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	<p><b>1.5 Failure to Obtain Title Deed for Kiawaiguru Water Project</b></p> <p>Capitalized during year 2017/2018 as earlier reported and part of the assets under note 21A is an amount of KES 4,202,829 paid to M/S Geocast Agencies Limited for construction of Kiawaiguru Water Tank Project in 2015/2016 financial year. However, audit review revealed that although the land upon which the tank was built was voluntarily given to Tana Water Works Development Agency, ownership documents in the name of the Board had not been obtained.</p>	<p>The issue of land ownership is being followed up with the owner and the local Administration in view of getting the documentation for the land.</p>	<p>Eng M. M. Naivasha - Chief Executive Officer</p>	<p>Follow-up is being made to ensure that documentation of the Land is being acquired</p>	<p>The issue of land ownership is being followed up with the owner at the local Administration view getting the documentation for the land.</p>
	<p><b>2. Outstanding Board Administrative Fees</b></p> <p>Disclosed under note 18, Receivables is a balance of KES 344,725,481. Included under receivables is an amount of KES 340,516,207 relating to outstanding board administrative fees from various Water Service Providers. These Receivables date back to 2016. Accumulation of such receivables denies the Agency much needed revenue to run its activities and recoverability may be impossible as the receivables age. The Agency should recover these receivables.</p>	<p>The under achievement was as a result of Water Service Providers failure to remit Board Administrative cost Fee following directives from respective County Governments not to remit any money to the Agency since provision of water services is a devolved function.</p>	<p>Eng M. M. Naivasha - Chief Executive Officer</p>	<p>Follow up with relevant bodied is being made to ensure that all outstanding Board Administrative Cost Fees is collected.</p>	



**Chief Executive Officer  
Eng. Philip Gichuki**

Date 22/02/2020



**Board Member**

Date 22/02/2020

**APPENDIX II : PROJECTS IMPLEMENTED BY TANA WATER WORKS DEVELOPMENT AGENCY**

**Projects implemented by the Agency funded by development partners**

	Project title	Project Number	Donor	Period/ duration	Donor/GoK commitment (Kshs)	Separate donor reporting (Yes/No)	Consolidated in the Financial Statement
	<b>Kenya Towns Sustainable Water Supply and Sanitation Programme</b>						
1	Kerugoya Kutus water Supply Project	ID NO.P-KE-E00-011	ADB	18 Months	1,301,651,496	Yes	Yes
2	Kerugoya Kutus Sewerage Project	ID NO.P-KE-E00-011	ADB	18 Months	544,099,510	Yes	Yes
3	Chuka Water Supply Project	ID NO.P-KE-E00-011	ADB	18 Months	606,550,711	Yes	Yes
4	Chuka Sewerage Project	ID NO.P-KE-E00-011	ADB	18 Months	472,960,411	Yes	Yes
5	Chogoria Water Supply Project	ID NO.P-KE-E00-011	ADB	18 Months	645,288,468	Yes	Yes
6	Chogoria Sewerage Project	ID NO.P-KE-E00-011	ADB	18 Months	449,442,491	Yes	Yes
7	Meru sewerage Project	ID NO.P-KE-E00-011	ADB	18 Months	1,138,500,000	Yes	Yes
8	Mandera Water Supply Project	ID NO.P-KE-E00-011	ADB	18 Months	1,752,581,600	Yes	Yes
9	Mandera Sewerage Project	ID NO.P-KE-E00-011	ADB	18 Months	978,871,630	Yes	Yes
10	Marsabit Water Supply Project	ID NO.P-KE-E00-011	ADB	18 Months	740,006,322	Yes	Yes
11	Marsabit Sewerage Project	ID NO.P-KE-E00-011	ADB	18 Months	1,270,403,927	Yes	Yes
12	Murang'a Urban Water Supply	ID NO.P-KE-E00-011	ADB	10 Months	57,500,000	Yes	No
13	Murang'a South Water Supply	ID NO.P-KE-E00-011	ADB	10 Months	34,500,000	Yes	No
14	Othaya Water Supply	ID NO.P-KE-E00-011	ADB	10 Months	69,000,000	Yes	No
15	Isiolo Town Water Supply	ID NO.P-KE-E00-011	ADB	10 Months	115,000,000	Yes	Yes
16	Garisa Town Water Supply	ID NO.P-KE-E00-011	ADB	10 Months	230,000,000	Yes	Yes
17	Institution Support	ID NO.P-KE-E00-011	ADB	6 Months	410,300,000	Yes	No
18	Climate Change Adaptation	ID NO.P-KE-E00-011	ADB	6 Months	181,500,000	Yes	No
	<b>Total</b>				<b>10,998,156,567</b>		

### Status of Projects Completion

	Project title	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of Fund
<b>A.</b>	<b>Kenya Towns Sustainable Water Supply and Sanitation</b>						
1	Kerugoya Kutus water Supply Project	1,301,651,496	295,083,720	10%	175,695,000	239,867,720	ADB
2	Kerugoya Kutus Sewerage Project	544,099,510	124,912,890	10%	73,057,000	24,885,001	ADB
3	Chuka Water Supply Project	606,550,711	10,204,874	10%	76,307,000	-	ADB
4	Chuka Sewerage Project	472,960,411	110,889,732	10%	58,318,000	102,932,440	ADB
5	Chogoria Water Supply Project	645,288,468	175,221,211	10%	81,652,000	164,364,495	ADB
6	Chogoria Sewerage Project	449,442,491	92,989,484	10%	55,240,000	85,427,867	ADB
7	Meru sewerage Project	1,138,500,000	216,591,163	10%	156,492,000	185,323,771	ADB
8	Mandera Water Supply Project	1,752,581,600	474,786,773	10%	241,782,000	454,901,135	ADB
9	Mandera Sewerage Project	978,871,630	222,226,798	10%	138,890,000	3,837,025	ADB
10	Marsabit Water Supply Project	740,006,322	302,610,619	20%	102,562,000	80,205,245	ADB
11	Marsabit Sewerage Project	1,270,403,927	334,548,549	25%	170,716,000	119,930,382	ADB
12	Murang'a Urban Water Supply	57,500,000	5,508,617	20%	21,021,250	5,508,617	ADB
13	Murang'a South Water Supply	34,500,000	2,685,254	20%	12,612,750	2,685,254	ADB
14	Othaya Water Supply	69,000,000	-	20%	25,225,500	-	ADB
15	Isiolo Town Water Supply	115,000,000	32,181,732	65%	42,042,500	32,181,732	ADB
16	Garisa Town Water Supply	230,000,000	45,933,909	20%	84,085,000	45,933,909	ADB
17	Institution Support	410,300,000	-	0%	124,352,000	-	ADB
18	Climate Change Adaptation	181,500,000	-	0%	59,950,000	-	ADB
	<b>Total</b>	<b>10,998,156,567</b>	<b>2,446,375,325</b>		<b>1,700,000,000</b>	<b>1,547,984,593</b>	

**APPENDIX III : INTER – ENTITY TRANSFERS**

ENTITY NAME		TANA WATER WORKS DEVELOPMENT AGENCY		
<b>Break down of Transfers from the Ministry of Water, Sanitation and Irrigation</b>				
<b>FY 2019/2020</b>				
<b>a.</b>	<b>Recurrent Grants</b>	<b>Bank Statement Date</b>	<b>Amount (KES)</b>	<b>FY to which the amounts relate</b>
	(i)	14-08-2019	11,666,667	FY 2019/2020
	(ii)	05-09-2019	11,666,667	FY 2019/2020
	(iii)	04-10-2019	11,666,667	FY 2019/2020
	(iv)	05-11-2019	11,666,667	FY 2019/2020
	(v)	10-12-2019	11,666,667	FY 2019/2020
	(vi)	24-12-2019	11,666,667	FY 2019/2020
	(vii)	10-02-2020	11,666,667	FY 2019/2020
	(viii)	04-03-2020	11,666,667	FY 2019/2020
	(ix)	02-04-2020	11,666,667	FY 2019/2020
	(x)	28-05-2020	11,666,667	FY 2019/2020
	(xi)	03-06-2020	11,666,667	FY 2019/2020
	(xii)	29-06-2020	11,666,667	FY 2019/2020
		<b>Total</b>	<b>139,999,999</b>	
<b>b.</b>	<b>Development Grants</b>	<b>Bank Statement Date</b>	<b>Amount (KES)</b>	<b>FY to which the amounts relate</b>
(i)	Rehabilitation of Water Supplies	18-07-2019	61,250,000	FY 2018/2019
(ii)	Water for Schools	23-07-2019	7,000,000	FY 2018/2019
	“	18-12-2019	20,000,000	FY 2019/2020
		<b>Total</b>	<b>27,000,000</b>	
(iii)	Drought Mitigation	23-07-2019	26,000,000	FY 2018/2019
		<b>Total</b>	<b>26,000,000</b>	
(iv)	Cross County Water Projects	18-12-2019	232,500,000	FY 2019/2020
		<b>Total</b>	<b>232,500,000</b>	
(v)	National Water Harvesting and Ground Exploitation	18-12-2019	55,000,000	FY 2019/2020
	“	18-06-2020	77,500,000	FY 2018/2019
		<b>Total</b>	<b>132,500,000</b>	

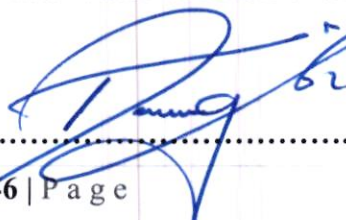
**Tana Water Works Development Agency  
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		<b>Bank Statement Date</b>	<b>Amount (KES)</b>	<b>FY to which the amounts relate</b>
(vi)	<b>Maua Water Distribution and Sewerage Water Supply Project</b>	04-11-2019	250,000,000	FY 2019/2020
		12-06-2020	125,000,000	FY 2019/2020
		<b>Total</b>	<b>375,000,000</b>	
(vii)	ADB GoK Counterpart - Kenya Towns WSSP	04-11-2019	200,000,000	FY 2019/2020
	“	12-06-2020	100,000,000	FY 2019/2020
		<b>Total</b>	<b>300,000,000</b>	
(viii)	Maara Dams	04-11-2019	250,000,000	FY 2019/2020
	“	12-06-2020	125,000,000	FY 2019/2020
		<b>Total</b>	<b>375,000,000</b>	
(Vix)	Mathira Water Project	04-11-2019	22,500,000	FY 2019/2020
	“	12-06-2020	11,250,000	FY 2019/2020
		<b>Total</b>	<b>33,750,000</b>	
(vx)	Water Meters	04-11-2019	5,000,000	FY 2019/2020
		<b>Total</b>	<b>5,000,000</b>	
		<b>Date Disbursement Request Submitted to MWS&amp;I</b>	<b>Amount (KES)</b>	<b>FY to which the amounts relate</b>
<b>e.</b>	<b>Direct Payments</b>			
	<b>Works</b>			
	26	21 <sup>st</sup> January 2019	73,498,987	FY 2018/2019
	27	21 <sup>st</sup> January 2019	18,374,748	FY 2018/2019
	28	22 <sup>nd</sup> January 2019	59,935,245	FY 2018/2019
	17	4 <sup>th</sup> December 2018	162,385,804	FY 2018/2019
	18	4 <sup>th</sup> December 2018	69,593,916	FY 2018/2019
	31	21 <sup>st</sup> January 2019	16,080,878	FY 2018/2019
	29	21 <sup>st</sup> January 2019	14,983,811	FY 2018/2019
	30	21 <sup>st</sup> January 2019	98,782,535	FY 2018/2019
	37	14 <sup>th</sup> February 2019	284,029,409	FY 2018/2019
	32	4 <sup>th</sup> February 2019	28,720,100	FY 2018/2019
	38	9 <sup>th</sup> April 2019	7,323,892	FY 2018/2019
	40	10 <sup>th</sup> April 2019	11,800,998	FY 2018/2019
	41	5 <sup>th</sup> November 2019	13,056,842	FY 2019/2020
	46	8 <sup>th</sup> December 2019	17,213,809	FY 2019/2020
	35	12 <sup>th</sup> February 2018	69,960,525	

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		<b>Date Disbursement Request Submitted to MWS&amp;I</b>	<b>Amount (KES)</b>	<b>FY to which the amounts relate</b>
	36	12 <sup>th</sup> February 2018	104,940,783	
	42	1 <sup>st</sup> October 2019	4,977,000	
	43	1 <sup>st</sup> October 2019	19,908,000	
	51	28 <sup>th</sup> November 2019	4,516,984	
	44	1 <sup>st</sup> October 2019	29,595,287	
	45	1 <sup>st</sup> October 2019	4,817,837	
	52	28 <sup>th</sup> November 2019	991,552	
	53	28 <sup>th</sup> November 2019	2,201,975	
	54	28 <sup>th</sup> November 2019	483,360	
	47	2 <sup>nd</sup> October 2019	27,404,480	
	48	2 <sup>nd</sup> October 2019	27,404,481	
	55	26 <sup>th</sup> February 2020	21,130,787	
	56	26 <sup>th</sup> February 2020	21,130,787	
	59	26 <sup>th</sup> February 2020	164,001,777	
	63	30 <sup>th</sup> June 2020	18,971,836	
	64	30 <sup>th</sup> June 2020	18,971,835	
	65	30 <sup>th</sup> June 2020	32,560,710	
	66	30 <sup>th</sup> June 2020	32,560,711	
		<b>Sub Total</b>	<b>1,482,311,680</b>	
	<b>Consultancy</b>			
	39	9 <sup>th</sup> April 2019	7,888,000	FY 2018/2019
	49	27 <sup>th</sup> November 2019	5,211,232	
	60	1 <sup>st</sup> April 2020	5,211,232	
	33	30 <sup>th</sup> June 2020	266,000	
	34	30 <sup>th</sup> June 2020	11,755,575	
	61	30 <sup>th</sup> June 2020	532,000	
	62	30 <sup>th</sup> June 2020	24,102,000	
	50	26 <sup>th</sup> February 2020	10,706,874	
		<b>Sub Total</b>	<b>65,672,913</b>	
		<b>Grand Total</b>	<b>1,547,984,593</b>	

**Head of Finance & Resource Mobilization  
Tana Water Works Development Agency**

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

  
PRINCIPAL SECRETARY  
MINISTRY OF WATER & SANITATION  
AND IRRIGATION  
P. O. Box 40720  
NAIROBI



**ANNEX I**

**(A) Board Administrative Cost Fee Earned During The Reporting Period**

	<b>2019/2020</b>	<b>2018/2019</b>
<b>WSP Company</b>	<b>Amount (KES)</b>	<b>Amount (KES)</b>
Murugi Mugumango	74,960	410,335
Kyeni	-	329,764
Ngagaka	-	2,034,499
<b>Sub Total</b>	<b>74,960</b>	<b>2,774,598</b>

**(B) Board Administrative Cost Fee Arrears collected During The Reporting Period**

	<b>2019/2020</b>	<b>2018/2019</b>
<b>WSP Company</b>	<b>Amount (KES)</b>	<b>Amount (KES)</b>
Embwasco	250,000	2,250,000
Gatamathi	750,200	900,000
Imetha	-	300,000
Kahuti	900,000	800,000
Kirinyaga	-	1,500,000
Murang'a South	350,000	1,050,000
Mawasco	-	250,000
Muranga	-	200,000
Muthambi 4 K	-	180,000
Nginda Ngandori	-	150,000
Nithi	536,624	1,044,469
Omwawco	124,120	1,700,000
Ruiru Thaiu	-	45,000
Tetu-Aberdare	1,140,000	2,280,000
Tuuru	50,000	250,000
Naromoru	45,000	90,000
<b>Sub Total</b>	<b>4,145,944</b>	<b>12,989,469</b>
<b>Grand Total</b>	<b>4,220,904</b>	<b>15,764,067</b>



**ANNEX II**

**(A) Trade Debtors as at 30 June 2020**

	<b>2019/2020</b>	<b>2018/2019</b>
<b>WSP Company</b>	<b>AMOUNT (KES)</b>	<b>AMOUNT (KES)</b>
Embe	772,885	1,022,885
Ewasco	73,169,455	73,169,455
Gatamathi	6,395,840	7,146,040
Imetha	7,962,466	7,962,466
Kahuti	7,790,232	8,690,232
Kathita Gatunga	934	934
Kirinyaga	16,743,785	16,743,785
Mawasco	34,116,395	34,116,395
Mewass	51,135,957	51,135,957
Murang'a	49,922,918	49,922,918
Muthambi 4K	76,000	76,000
Murang'a South	23,549,784	23,899,784
Ngandori Nginda	14,641,753	14,641,753
Nithi	504,886	1,041,510
Nyewasco	52,929,735	52,929,735
Omwasco	23,975,157	24,099,277
Ruiru Thau	409,839	409,839
Teawasco	2,779,433	3,919,433
Tuuru	5,955,379	6,005,379
Naromoru	1,372,564	1,417,564
<b>Sub Total</b>	<b>374,205,397</b>	<b>378,351,341</b>
<b>LESS: 10% General Provision for Bad and Doubtful Debts</b>	<b>(37,420,540)</b>	<b>(37,835,134.12)</b>
<b>Net Trade Debtors</b>	<b>336,784,857</b>	<b>340,516,207</b>

**(B) Exhauster & Water Bowser Debtors as at 30 June 2020.**

Nyeri Water Company	17,000	17,000
Nyeri County Government	71,000	71,000
Tharaka Nithi County	600,000	600,000
Othaya Mukurwe-ini Water Company	7,000	7,000
Murang'a Water Company	2,404,693	2,213,024
Mukurwe-ini Sub County Dispensary	28,000	-
Ewasco	60,000	60,000
<b>Sub Total</b>	<b>3,187,693</b>	<b>2,968,024</b>
<b>Grand Total</b>	<b>339,972,550</b>	<b>343,484,231</b>

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**Employee Costs ( Salary Advance) as at 30th June 2020**

		<b>FY 2019/2020</b>	<b>FY 2018/2019</b>
<b>Name of Officer</b>	<b>P/No</b>	<b>Amount KES</b>	<b>Amount KES</b>
Agnes Ndegwa	0115	50,000	-
Virginiah Wangechi	0112	35,000	-
Alexander Timothy Gitonga	0098	-	28,000
<b>SUB TOTAL</b>		<b>85,000</b>	<b>28,000</b>

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ANNEX IV

(A) LIST OF CREDITORS AS AT 30 JUNE 2020

	FY 2019/2020	FY 2018/2019
Details	Amount KES	Amount KES
<b>A. RECURRENT</b>		
Kenya National Audit Office	1,160,000	1,160,000
Massatech Ltd	136,000	-
Total Kenya	108,153	-
Wells Fargo	9,512	-
Rentokil Initials	-	192,640
Honororia	-	35,000
<b>Sub Total</b>	<b>1,413,665</b>	<b>1,387,640</b>
<b>B. DEVELOPMENT</b>		
Ranju Ltd	4,080,017	20,261,144
Libex Construction Company Ltd	2,845,946	-
AMG Sagrin Ltd	5,774,769	4,189,489
Kabco Contractors Ltd	3,066,324	-
Octagon Builders & General Supplies Ltd	1,209,976	-
Mazingira & Engineering Consultants Ltd	267,120	267,120
Mjengo & Allied	1,986,256	1,986,256
Global View Associate	128,310	128,310
Mithega K & Advocates	1,830,164	-
Gichuhi Mwangi	614,217	-
Land*	139,858,917	-
Total Kenya	388,951	-
Silvespread Hardware	483,750	-
Saman Engineering Company Ltd	-	8,396,276
Davis & Shirtiff	-	40,000
Eland Safari Hotel	-	455,481
Nation Media Group	-	564,920
Standard Group Ltd	-	533,600
Evaton Systems Ltd	-	732,320
Royal Media	-	348,000
<b>Sub Total</b>	<b>162,534,717</b>	<b>37,902,916</b>
<b>B. SHORT TERM LOAN</b>		
Meru Water and Sewerage Services ( MEWASS)	-	30,000,000
<b>Grand Total</b>	<b>163,948,382</b>	<b>69,290,556</b>

*\*This relates to pending land cost acquired for implementation of ADB Funded Projects as*

**A. Chuka Sewerage Infrastructure**

<b>Date</b>	<b>Particulars</b>	<b>Amount KES</b>
13-Mar-20	P Mugambi E. Mwiandi - Land LR. Karingani/Ndagani/6679	2,298,080
13-Mar-20	Murungi MTuruchiu - Land LR. Karingani/Ndagani/11676	600,466
13-Mar-20	Eliphias Mbae - Land LR. Karingani/Ndagani/6678	600,466
13-Mar-20	Rose Koje Ndubi- Land LR. Karingani/Ndagani/4243	2,550,128
13-Mar-20	Serestino mugambi Muthina - Land LR. Karingani/Ndagani/1020	900,932
13-Mar-20	Boniface Nyaga Njau - Land LR. Karingani/Ndagani/11677	3,158,007
13-Mar-20	Samson Kithinji Muthamia - Land LR. Karingani/Ndagani/11545	214,982
13-Mar-20	Mwai George M Karangi - Land LR. Karingani/Ndagani/4266	1,126,801
27-May-20	Henry Kithinji - Land LR. Karingani/Ndagani/1938	323,485
27-May-20	Jediline Muthoni - Land LR. Karingani/Ndagani/1938	228,457
27-May-20	Eliphira Kanyua - Land LR. Karingani/Ndagani/1938	180,127
27-May-20	Janet Mwendu - Land LR. Karingani/Ndagani/1938	180,127
27-May-20	Purity Murugi - Land LR. Karingani/Ndagani/1938	180,127
11-Jun-20	Julius Mbabu Findenzio- Land LR. Karingani/Ndagani/11546	392,897
27-May-20	Mary Njeri - Land LR. Karingani/Ndagani/1938	108,608
16-Jun-20	Doras Njeri Kiambo Land LR. Karingani/Ndagani/4267	122,139
16-Jun-20	Mary Muthoni Njagi Land LR. Karingani/Ndagani/4267	122,139
16-Jun-20	Abisalom Mugambi Land LR. Karingani/Ndagani/4267	328,355
16-Jun-20	Simon Munene Land LR. Karingani/Ndagani/4267	460,105
16-Jun-20	Javanson Kamotho Land LR. Karingani/Ndagani/4267	272,750
16-Jun-20	Paul Muchiri Kiambo Land LR. Karingani/Ndagani/4267	325,406
	<b>Total</b>	<b>14,674,584</b>

**B. Chogoria Sewerage Infrastructure**

<b>Date</b>	<b>Particulars</b>	<b>Amount KES</b>
17-Mar-20	Stephen Kiraithe - Land LR.WIMBI/KIRARO/151	2,016,380
17-Mar-20	Nkonge Kitharia - Land LR.WIMBI/KIRARO/670	547,091
17-Mar-20	Ashford Miti Mjurianki - Land LR.WIMBI/KIRARO/665	533,747
31-Mar-20	Esther Ntagana Mutua - Land LR. MWIMBI /KIRARO/556	1,601,243
7-Apr-20	Maingi Chambari - Land LR.WIMBI/KIRARO 657	1,067,495
7-Apr-20	Japhet Mwambia Mukinda - Land LR.WIMBI/KIRARO/732	1,467,806
7-Apr-20	Julian Riungu - Land LR.WIMBI/KIRARO/599	2,935,612
7-Apr-20	Beatrice Nkuene - Land LR.WIMBI/KIRARO/655	800,621
7-Apr-20	Wilfred Kathenya - Land LR.WIMBI/KIRARO/656	934,058
9-Jun-20	Jackchin Kithuci Lr MWIMBI/MURUGI/2320	1,725,000
9-Jun-20	Beatrice Kaari- Land LR.MWIMBI/MAGUTUNI/1588	360,280
	<b>Total</b>	<b>13,989,333</b>

**C. Marsabit Sewerage Infrastructure**

<b>Date</b>	<b>Particulars</b>	<b>Amount KES</b>
13-Mar-20	Saleh Salim M Addulla- Land LR. Marsabit/Mountain/538	37,065,000
13-Mar-20	Hassan Salim Mohamed- Land LR. Marsabit/Mountain/56	37,065,000
8-Apr-20	Yusuf Ote Soke- Land LR. Marsabit/Mountain/55	37,065,000
	<b>Total</b>	<b>111,195,000</b>
	<b>Grand Total</b>	<b>139,858,917</b>

