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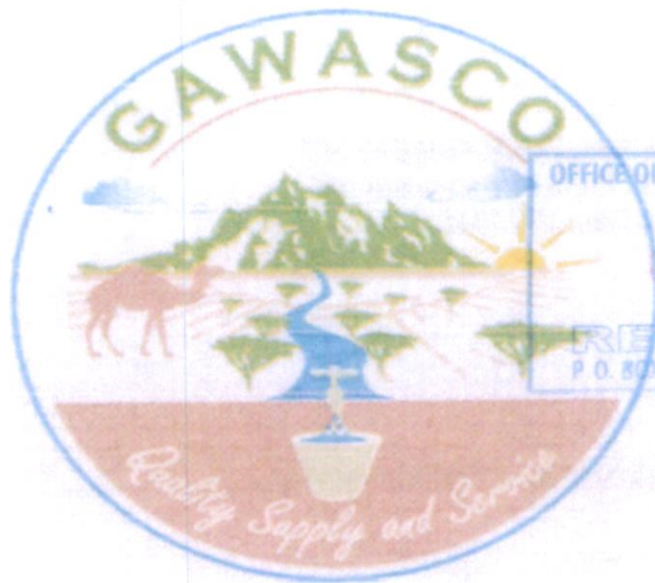
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**THE AUDITOR-GENERAL**

**ON**

**GARISSA WATER AND SEWERAGE  
COMPANY LIMITED**

**FOR THE YEAR ENDED  
30 JUNE, 2019**



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**GARISSA WATER AND SEWERAGE COMPANY LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2019**

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**Prepared in accordance with the accrual basis of accounting method under the  
International Financial Reporting Standards (IFRS)**

**Garissa Water and Sewerage Company Ltd**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2019**

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**Garissa Water and Sewerage Company Ltd**  
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**KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Garissa Water and sewerage Company Limited was incorporated on 6<sup>th</sup> July 2004 under the Companies Act (Cap.486) and the water Act 2002. Garissa Water and Sewerage Company Limited are represented by the Managing Director who is responsible for the general policy and strategic direction of Garissa Water and Sewerage Company Limited.

**(b) Principal Activity**

The principal activity/mission of Garissa Water and Sewerage Company is to improve quality of life through the provision of potable water services in an environmentally and commercially sustainable way to the satisfaction of our stakeholders.

**(c) Key Management**

Garissa Water and Sewerage Company's day-to-day management is under the following key organs:

- Managing Director;
- Finance and Admin Manager
- Technical Services Manager

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Managing Director	<b>Yussuf Mohamed Ibrahim</b>
2.	Technical Services Manager	<b>Christopher WahomeKamau</b>
3.	Finance & Administration Manager	<b>Yusuf AbdiBarre</b>

**Garissa Water and Sewerage Company Ltd**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

**(e) Headquarters**

Along Lamu Road  
Opposite Garissa Law Courts

**(f) Contacts**

P.O. Box 1088-70100  
Garissa,  
Kenya  
Telefax: 046-3375  
Telephone: 046 210 3330  
E-mail: garissawater@yahoo.com  
Website: [www.gawasco.com](http://www.gawasco.com)

**(g) Bankers**

First Community Bank  
Garissa Branch  
P.O Box 642  
**Garissa, Kenya**

Equity Bank  
Garissa Branch  
P.O Box 700-70100  
**Garissa, Kenya**

Kenya Commercial Bank  
Garissa Branch  
P.O Box  
**Garissa, Kenya**

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

Gikuhi & Kiana Co. Advocates  
P.O Box.....  
**EMBU**

**Garissa Water and Sewerage Company Ltd**  
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**THE BOARD OF DIRECTORS**

	<b>NAME</b>	<b>POSITION</b>
1.	Mr Mohamed Dahir Weirah P.O. Box 1088-70100, Garissa Tel:046-210-3330	Chairman
2.	Mrs Fatuma A. Bathi P.O. Box 1088-70100, Garissa Tel:046-210-3330	Member
3.	Mrs Amina M. Magan P.O. Box 1088-70100, Garissa Tel:046-210-3330	Member
4.	Mrs Fatuma A. Muhumed P.O. Box 1088-70100, Garissa Tel:046-210-3330	Member
5.	Mr Yunis Y. Ibrahim P.O. Box 1088-70100, Garissa Tel:046-210-3330	Member
6.	Mr Ahmed A. Noor P.O. Box 1088-70100, Garissa Tel:046-210-3330	Member
7.	Mr Robert G. Ndirangu P.O. Box 1088-70100, Garissa Tel:046-210-3330	Member
8.	Mr Aden H. Mohamed P.O. Box 1088-70100, Garissa Tel:046-210-3330	Member
9.	Mr Mohamed Issack P.O. Box 1088-70100, Garissa Tel:046-210-3330	Member
10.	Mr Yusuf M. Ibrahim P.O. Box 1088-70100, Garissa Tel:046-210-3330	Member

**Garissa Water and Sewerage Company Ltd**  
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**MANAGEMENT TEAM**

<b>PHOTO</b>	<b>NAME</b>	<b>POSITION</b>
	Yusuf M. Ibrahim P.O. Box 1088- 70100, Garissa <a href="tel:046-210-3330">Tel:046-210- 3330</a>	Managing Director
	Christopher W. Kamau P.O. Box 1088- 70100, Garissa <a href="tel:046-210-3330">Tel:046-210- 3330</a>	Technical Services Manager
	Yussuf A. Barre P.O. Box 1088- 70100, Garissa Tel:046-210- 3330	Finance & Administration Manager

**Garissa Water and Sewerage Company Ltd**  
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**CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

**Dear shareholders,**

I am pleased to present the annual report and financial statement for the year ended 30<sup>th</sup> June 2019. The Company has had numerous challenges in the last year that resulted from political interference from the previous county Government and mismanagement that has greatly affected the operations of the company. However, the current County Administration has given the company a new lease of life and assisted to undertake the recruitment of three CMT members in a competitive process namely;

1. Managing Director
2. Finance and Administration Manager
- 3 Technical manager

This saw a significant improvement in the provision of water and revenue generation. In the year the company conducted a human resource audit and gave several recommendations including the retrenchment of 54 staffs that lacked basic literacy level. The company also lacked some necessary skillset to turn around.

**WATER SECTOR**

Following the enactment of water Act of 2002 which called for a series of reform measures to address weaknesses in the sector, Garissa Water and Sewerage Company has contributed to the achievement of this reforms by providing quality services of water and sanitation in a commercialized manner and also increasing community participation in the management of water resources and provision of water supplies. With devolution, the county government role in water provision cannot be overemphasized. The company is reviewing its memorandum and articles of association to incorporate the county government of Garissa as a major shareholder.

**OVERVIEW**

The external environment had its own challenges in this year under review. Due to fluctuations in the economy, our maintenance and operating costs increased due to price changes and salary adjustments. Poor infrastructure in the supply area was a major cause of high maintenance cost as the vehicles and motorcycles kept on breaking down very often. Also, water tariffs are controlled by the government and reviewed after a period of time, when the rate of inflation keeps on rising every year, this never made it easy to generate enough revenue to match the increased cost of operation. All these have forced the company to employ a high degree of efficiency in managing our resources so as to minimize costs. As mentioned earlier, the impact of fluctuations in the operating environment never made our operations easy but there was a slight decrease in the company's income as compared to the previous year. Also noted is the increased power bills and chemical cost which initially was being financed by the national government but later left to the company, this consumed the company reserve hence more funds should be availed to cater for assets renewal and meet creditors obligation as they fall due.

**CHALLENGES**

**HUMAN RESOURCE**

Our employees are the most valued asset and the company is continuing to assess its staffing requirements. Customer care, Unaccounted for Water, Water quality monitoring and evaluation and billing system remain major challenges to our staff. Through capacity building, staffs are being trained to ensure that all these challenges are overcome. Also, our staffs are being motivated in various ways for higher performance. To increase efficiency and accuracy in billing

**Garissa Water and Sewerage Company Ltd**  
**Reports and Financial Statements**  
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and to meet customer expectation, the company in consultation with our regulator has sourced for billing software and SMS system of bill query and delivery and payment through M-pesa service by our customers hence increased efficiency of operations.

**NON-REVENUE WATER**

Non-Revenue water still remains a thorn in the flesh to the company. Aged and corroded pipes, vandalism, high pressure, illegal connection, meter tempering by customers and flat rate contribute majorly to the above. Due to its adverse effect on our revenue, the company has put in place constant line patrol, night flow measurements and staff training. This measure has maintained the level of unaccounted for water at 70% to 44% in the year under review. The company has also a budget line dedicated to Non-Revenue water management.

**FUTURE OUTLOOK**

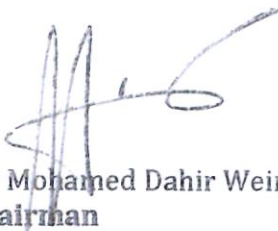
Due to the evidenced challenges in the economy and especially in the water sector, we must ensure that we evaluate and review our strategies constantly for us to achieve our mission statement and also to shorten our response time to the started challenges. It is also worth noting that GAWASCO will continue to focus on maintaining the excellent quality of our services and delivery standards to meet our customer needs. We shall endeavour to develop, strengthen and sustain the trust that the stakeholders, employees and the public have placed in us and also put greater emphasis to a more robust technological system, competent human resource as well as build strategic partnership with our stakeholders. The company is also partnering with various donors to finance and to facilitate the implementation of its capital investments. The county Government of Garissa is a major stakeholder in the company hence the need for close working relationship for improved efficiency and operation effectiveness of the company as it pursues its main objectives.

**PERSONAL THANKS**

I would like to take this opportunity to record my gratitude to my fellow board members for my support and valuable contribution to the company and the commitment they showed. I would also like to thank the Managing Director and staff of GAWASCO for the performance achieved in the last year and the progress made in executing the company's growth strategy. I remain confident that we have the skills and resources necessary to manage the significant opportunities and challenges that lie ahead. I thank my colleagues on the board for their sound guidance and support during the eventful year.

We extend our gratitude to our consumers too for their continued support and our shareholders whose confidence has sanctioned important strategic developments.

I also sincerely thank the regulatory authority Water Services Regulatory Board for their guidance and continued support.



Mr Mohamed Dahir Weirah  
Chairman

**Garissa Water and Sewerage Company Ltd**  
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**REPORT OF THE MANAGING DIRECTOR FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2019**

**General overview**

During the year under review; 2018/19, strategies aimed at securing adequate water supply, expanding water access to the residents, improving the quality of supply and service to our customers, as well as the financial performance took the centre stage of our operations.

**Company performance**

The company's performance has continued to improve despite the many challenges facing it. The performance has been slowed by the continued use of water and sewerage tariffs which are not cost recovering and therefore investment in expansion and rehabilitation of the infrastructure has been affected.

We wish to thank the county government for its assistance in the payment of our electricity bills. There was a slight decrease in income as compared to last year as external funding reduced

**Human resource**

The company's human resource has continued to be a valuable asset in achieving business objectives, targets, customer satisfaction and stakeholder expectations. Consequently, the company's work ethics are founded on team-work, staff empowerment, innovation, professionalism, equal opportunity and integrity.



**Y. M. Ibrahim**  
**Managing Director**

**Garissa Water and Sewerage Company Ltd**  
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**CORPORATE GOVERNANCE STATEMENT**

Corporate governance is critical to the success or failure of any organisation. In this regard, Garissa Water and Sewerage Company is committed to the values and principles of good corporate governance as an integral part of the corporate culture established at the company and guides the manner in which the directors, management and staff conduct the business of the organisation. As a public sector organisation dedicated to providing quality service to its stakeholders, the company's decisions are guided by the core tenets prescribed in the Public Officers Ethics Act, Internal Codes of Conduct and Corporate Governance guidelines, as well as the Board Charters and its committees. The company also has in place a robust zero-tolerance corruption prevention programme. The company thus reiterates its commitment to the principles of sound corporate governance and to fulfilling its commitments as outlined in these documents and in its Performance Contract with the Northern Water Works Agency. The company endeavours to develop, strengthen and sustain the trust that the stakeholders, employees and the public have placed in it. Accordingly, the Board and its committees regularly evaluate the latest national and international standards in responsible, transparent and efficient management with a view of enhancing corporate governance at the company and consistently delivering on our statutory mandates.

**Garissa Water and Sewerage Company Ltd**  
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**CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

Garissa Water and Sewerage Company (GAWASCO) has realized that safe drinking water and improved sanitation are important pre-conditions for achieving development for our people. In addition, the new constitution recognizes access to adequate water, clean environment and sanitation in the bills of rights. We are therefore no longer looking at environmental conservation merely as a way of achieving the MDG's, but more towards achieving the constitutional rights of our citizens. Hence, interventions that protect the environment and water resources are crucial in our operations.

It is also appreciated that GAWASCO operates within social, economic and environmental dynamics that greatly influences management decisions and actions on her day to day operations. In this regard, the Corporate Strategic Plan is driven by GAWASCO's internal capabilities, exploitation of existing opportunities and management of her weaknesses, while controlling risks to the scheduled programmes and activities.

Environmental management and corporate social responsibility activities are considered as among the functions that GAWASCO emphasizes to meet the local and international best practices as desired in the vision and mission statements. The strategic goal for the current GAWASCO Strategic Plan with respect to social and environmental concerns calls for sustainable management of activities for the benefit of local communities and other stakeholders. Key CSR strategic objectives, therefore, include specific outputs and outcomes upon which the performance on CSR will be judged.

GAWASCO's strategic goals are as follows;

1. Build harmonious relationships with the local communities. This will ensure that the company avoids conflicts that could be a hindrance to the successful implementation of the CSR plans.
2. The Capacity Building for staff on Corporate Social Responsibility (CSR) issues. Employees are empowered through training and sensitization on basic concepts and the importance of CSR to the company for them to be able to assist the company drive all the CSR objectives.
3. Formulate an effective communication strategy. Communication is the heart of the success of CSR. It is the vehicle through which the impact of CSR is realized.
4. Decentralize CSR activities to the various departments. Some level of autonomy in the execution of the plan will not only ensure the relevance of the CSR initiatives to the intended beneficiaries but will also contribute to the monitoring and evaluation of the intended impact within the communities.
5. Establish strategic partnerships on CSR. This represents best practices and exposes the company to other horizons through the utilization of synergies with such partnerships – "Unity is Strength."

**Garissa Water and Sewerage Company Ltd**  
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6. Develop environmental conservation strategies. Conservation of the environment is the way forward for self-respecting institutions. Since the company deals with other state corporations, government institutions and agencies and also the private sector, it has a direct interest in environmental conservation.

**Garissa Water and Sewerage Company Ltd**  
**Reports and Financial Statements**  
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**REPORT OF THE DIRECTORS**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2019, which show the state of Garissa Water and sewerage Company Limited's affairs.

**Principal activities**

The principal activity/mission of Garissa Water and Sewerage Company is to improve quality of life through the provision of potable water services in an environmentally and commercially sustainable way to the satisfaction of our stakeholders.

**Results**

The results of Garissa Water and sewerage Company Limited for the year ended June 30, 2019, are set out from pages 14 to 17

**Auditors**

The Office of the Auditor-General is responsible for the statutory audit of Garissa Water and sewerage Company Limited in accordance with the Section 86 of the Public Finance Management (PFM) Act, 2012, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

Office of the auditor General, Garissa Hub was nominated by the Auditor General to carry out the audit of Garissa Water and sewerage Company Limited for the period ended June 30, 2019.

By Order of the Board

  
Mohamed Dahir Weirah  
Board Chairman  
GAWASCO

Date: 03/07/2020

**Garissa Water and Sewerage Company Ltd**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Section 86 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of that Garissa Water and Sewerage Company Limited, which give a true and fair view of the state of affairs of the company at the end of the financial year and the operating results of the of Company for that year. The Directors are also required to ensure that the company keeps proper accounting records which disclose with reasonable accuracy of the financial position of the company. The Directors are also responsible for safeguarding the assets of the company.

The Directors are responsible for the preparation and presentation of Garissa Water and sewerage Company Limited's financial statements, which give a true and fair view of the state of affairs of the Company for and as at the end of the financial year ended on June 30, 2019. 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 Garissa Water and sewerage Company Limited.
- (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 Garissa Water and Sewerage Company Limited
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for Garissa Water and sewerage Company Limited's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that Garissa Water and sewerage Company Limited's financial statements give a true and fair view of the state of the company's transactions during the financial year ended June 30, 2019, and of its financial position as at that date. The Directors further confirm the completeness of the accounting records maintained by the company which have been relied upon in the preparation of the company's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that of Garissa Water and sewerage Company Limited will not remain a going concern for at least the next twelve months from the date of this statement.

**Garissa Water and Sewerage Company Ltd**  
**Reports and Financial Statements**  
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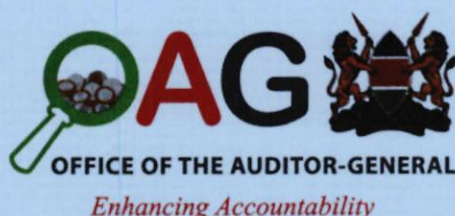
**Approval of the financial statements**

Garissa Water and sewerage Company Limited's financial statements were approved by the Board on 02/07/2020 ~~2019~~ and signed on its behalf by:

  
Chairman  
Managing Director

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON GARISSA WATER AND SEWERAGE COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 2019

### REPORT ON THE FINANCIAL STATEMENTS

#### Disclaimer of Opinion

I have audited the accompanying financial statements of Garissa Water and Sewerage Company Limited set out on pages 14 to 31, which comprise the statement of financial position as at 30 June, 2019 and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

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

#### Basis for Disclaimer of Opinion

##### 1. Presentation and Inaccuracies of Financial Statements

###### 1.1 Un-Supported Balances

The following balances reflected in the statement of comprehensive income and the statement of the financial position were not supported with detailed schedules or ledgers as detailed below: -

#### Statement of Comprehensive Income Items

Item	Note	Amount (Kshs.)
<b>Income</b>		
Water Sales	4	319,415,541
Other Income	4	153,021,232
<b>Total Income</b>		<b>472,436,773</b>
<b>Personnel Cost</b>		
Training and Workshop	5	350,265
<b>General Administrative Expenses</b>		

Item	Note	Amount (Kshs.)
Professional and Legal Services	7	4,860,750
Electricity-Administration	7	3,022,362
Promotion and Advertisement	7	1,041,000
WASPA	7	36,000
Provision for Bad and Doubtful Debts	7	28,297,199
Finance Cost	9	1,686,183
Project Costs	19	25,463,344
<b>Total</b>		<b>64,406,838</b>

### Statement of Financial Position Items

Items	Note	Amount (Kshs.)
<b>Trade and Other Receivables</b>		
Prepayment	12	70,189
Trade Creditors	14	38,616,046
NHIF	14	120,600
HELB	14	3,655
Salaries Accrued	14	2,647,585
WASREB Accrued	14	8,055,065
WARMA June Levy	14	9,415,000
NWSB Levy	14	12,008,574
Garissa Municipal Levy	14	7,726,923
Meter Deposits	14	2,321,000
<b>Total</b>		<b>80,984,637</b>

### 1.2 Unexplained Variances

The cash and cash equivalents balances reflected in the statement of financial position were not in agreement with those reflected in the statement of cash flows as detailed below:

Item	Balance as per Statement of Cash Flow (Kshs.)	Balance as per Statement of Financial Position (Kshs.)	Variance (Kshs.)
Cash and cash equivalents as at 01 July, 2018	33,082,328	14,453,207	18,629,121
Cash and cash equivalents as at 30 June, 2019	54,265,365	24,424,235	29,841,130

The variances between the two set of records have not been reconciled or explained.

Under the circumstances, the accuracy and completeness of the financial statements for the year ended 30 June, 2019 could not be confirmed.

## **2. Cash and Cash Equivalents**

### **2.1 Unsupported Cash and Cash Equivalents**

The statement of financial position reflects a cash and cash equivalents balance of Kshs.24,424,235 which, as disclosed in Note 13 to the financial statements, was held in seventeen (17) bank accounts and one (1) M-pesa account operated by the Company. However, out of the seventeen (17) bank accounts and M-pesa account maintained, cash books and bank reconciliation statements for four (4) accounts were provided for audit review. The cash books, bank statements and bank reconciliation statements for the remaining thirteen (13) bank accounts with a total bank balance of Kshs.14,982,038 were not provided.

Further, certificate of bank balances for five (5) bank accounts with a total balance of Kshs.13,295,721 were not provided for audit review. In addition, the four (4) cash books maintained were not balanced and were not checked by a senior officer on a daily basis. Further, the summations of the cash books were written using a pencil instead of indelible ink as required by Section 16(1) of the Public Finance Management (National Government) Regulations, 2015 which states that financial records and documents should be written in indelible ink.

### **2.2 Unreconciled Bank Balance**

As disclosed in Note 13 to the financial statements, the general account No.2976982903 held with the First Community Bank had a Nil closing bank balance as at 30 June, 2019. However, the certificate of bank balance for the same account reflected an amount of Kshs.8,957,291 resulting to unreconciled variance of Kshs.8,957,291. The variance had not been explained or reconciled.

Further, the bank reconciliations statement for the general account No.2976982903 reflected unpresented cheques amounting to Kshs.5,188,326, out of which cheques amounting to Kshs.2,110,771 were stale and dated back to 2018. In addition, names and particulars of the payees to whom the payments were made were not indicated in the bank reconciliation statement.

Under the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.24,424,235 as at 30 June, 2019 could not be confirmed.

## **3. Trade and Other Receivables**

### **3.1 Outstanding Imprest**

The statement of financial position reflects a balance of Kshs.514,052,137 under trade and other receivable which, as disclosed in Note 12 to the financial statements, includes an amount of Kshs.1,747,800 in respect of imprest which remained outstanding as at 30 June, 2019. This is contrary to Section 93(5) of the Public Finance Management

(County Governments) Regulations, 2015 which requires a holder of temporary imprest to account or surrender the imprest within seven (7) working days after returning to duty station. Further, some officers were issued with multiple imprests before clearing the previous ones, contrary to Section 93(8) of the Public Finance Management (County Governments) Regulations, 2015 which prohibit issuance of multiple imprests.

### **3.2 Unsupported Trade Debtors**

The trade and other receivables balance of Kshs.514,052,137 also includes an amount of Kshs.512,134,148 relating to trade debtors as at 30 June, 2019. The trade debtors had increased by Kshs.158,236,034 from Kshs.353,898,114 reported as at 30 June, 2018 translating to an increase of about 31%. However, the Company did not maintain an updated debtor's ledger. Further, an aging analysis and assessment of the recoverability of the debts were not provided.

As a result, the accuracy and full recoverability of the debtors balance of Kshs.512,134,148 could not be confirmed.

## **4. Trade and Other Payables**

### **4.1 Unexplained Variances between Financial Statements and Ledger**

As disclosed in Note 14 to the financial statements, the statement of financial position reflects a balance of Kshs.120,120,167 under trade and other payables. However, the ledger reflects an amount of Kshs.111,459,016 resulting to an unreconciled difference of Kshs.8,661,152. Further, the statement reflects a comparative trade and other payable balance of Kshs.99,686,144 which differs from the ledger brought forward balance of Kshs.91,561,014. The resultant difference of Kshs.8,125,130 has not been explained or reconciled.

### **4.2 Unsupported Expenditure - Trade and Other Payables**

The trade and other payables balance of Kshs.120,120,167 also includes an amount Kshs.38,932,562 in respect of trade creditors. However, the unpaid invoices, purchase orders and goods received notes for the trade creditors recognized during the year, were not provided for audit review. Further, included in the trade and other payables balance is an amount Kshs.2,321,000 in respect of meter deposits which was not supported by a ledger or a deposits register.

Under the circumstances, the accuracy of the trade and trade payables balance of Kshs.120,120,167 as at 30 June, 2019 could not be confirmed.

## **5. Unsupported Doubtful Debts**

The statement of comprehensive income reflects an expenditure of Kshs.41,603,251 under administrative expenses which, as disclosed in Note 7 to the financial statements, includes a provision for bad and doubtful debts amounting to Kshs.28,297,199. However, the basis or method used to arrive at the provision for bad and doubtful debts and Board approval to recognize the provision were not provided for audit review.

Under the circumstances, the accuracy and adequacy of the provision for doubtful debt of Kshs.28,297,199 could not be confirmed.

## **6. Operating Expenditure**

### **6.1 Irregular Payment of Security Services**

The statement of comprehensive income reflects an expenditure of Kshs.131,503,232 under operating expenditure which, as disclosed in Note 8 to the financial statements, includes an amount of Kshs.1,662,510 relating to security services. The Company entered into a contract with a security firm for the provision of security services to their offices and water plants. According to the contract agreement, the security firm provided 12 (twelve) guards at the rate of Kshs.8,500 per guard per month translating to Kshs.1,224,000 per year. However, a review of the expenditure records revealed that the Company paid a total of Kshs.1,662,510 to the security firm for the financial year under review, resulting to an unexplained difference of Kshs.438,510.

In the circumstances, the accuracy and regularity of the expenditure on security services of Kshs.438,510 could not be confirmed.

### **6.2 Unaccounted for Electricity Expenses**

The operating expenditure of Kshs.131,503,232 also includes an amount of Kshs.58,174,055 incurred on payment of electricity bills. However, an amount of Kshs.37,774,105 was not supported with invoices and electricity bills from the Kenya Power and Lighting Company.

In the circumstances, the accuracy and validity of the expenditure on electricity of Kshs.37,774,105 could not be confirmed.

### **6.3 Unsupported Expenditure on Consumables and Fittings**

Further, the operating expenditure of Kshs.131,503,232 includes an amount of Kshs.36,993,344 incurred on operation and maintenance. However, payments amounting to Kshs.6,027,930 made to a local hardware for supply and delivery of fittings and consumables were not supported with minutes of the Inspection and Acceptance Committee to confirm whether the goods delivered were of the right quantity and quality. In addition, the goods procured were not taken on charge in the stores records and there were no issue notes availed to confirm the point of use of the goods.

In the circumstances, the accuracy and propriety of the expenditure of Kshs.6,027,930 incurred on operation and maintenance could not be confirmed.

### **6.4 Irregular Procurement of Chemicals**

Included in operating expenditure of Kshs.131,503,232 is an amount of Kshs.12,961,340 spent on supply and delivery of water chemicals. However, examination of payment records for an expenditure of Kshs.5,339,560 revealed the following anomalies:-

- i) The water chemicals were directly procured from local suppliers and no reason were provided on why the chemicals were not competitively sourced.
- ii) Tender documents such as quotations, quotation committee minutes for opening, evaluation and award of contract were not attached to the payment vouchers or provided for audit review.
- iii) There were no requisitions for the water chemicals from the user department.
- iv) The Company did not constitute Inspection and Acceptance Committee for the entire financial year to verify the condition of the chemicals.
- v) A price comparison schedule to determine the correct price of the water chemicals supplied were not provided for audit review.

In the circumstances, the accuracy and propriety of the expenditure on Kshs.5,339,560 on supply and delivery of water chemicals could not be confirmed.

#### **6.5 Unsupported Transport Operations and Maintenance Expenditure**

Expenditure amounting to Kshs.2,016,066 incurred on motor vehicle repairs was not supported with a pre and post inspection report issued by Mechanical Department (Public Works) indicating the nature of repairs and estimated costs; and the condition of the vehicles before and after the repairs. Further, the repairs were not taken on charge in the logbook (GP 55) and the motor vehicles' work tickets were not provided for audit review.

In view of the above anomalies, the accuracy and propriety of the expenditure amounting to Kshs.2,016,066 incurred on maintenance of motor vehicles could not be confirmed.

#### **7. Misstated Capital Fund**

As disclosed in Note 17 to the financial statements, the statement of financial position reflects a capital fund brought forward balance of Kshs.31,758,485 comprising of fixed assets, inherited debtors and inherited creditors of Kshs.11,969,799, Kshs.21,351,302 and Kshs.1,562,616, respectively. However, it was observed that the capital fund was materially misstated by disclosing the trade debtors, trade creditors and fixed assets as capital fund under equity instead of current assets, current liabilities and fixed assets respectively as per IAS 32 on presentation of financial instrument. Further, the amounts have not been analyzed and supported by ledgers.

In the circumstances, it has not been possible to ascertain the accuracy and validity of the capital fund balance of Kshs.31,758,485 as at 30 June, 2019.

#### **8. Non-Revenue Water**

A scrutiny of the monthly billing summary and water production records for the period July 2018 to June, 2019 revealed that the Company produced about 5,333,782 cubic meters of water. However, the Company billed about 3,301,335 cubic meters to customers leaving a balance of 2,032,447 representing 38.11% of cubic meters as non-revenue

water. This is 13.11% over and above the allowable loss of 25% as per the Water Service Regulatory Board guidelines.

Under the circumstances, 2,032,447 cubic meters of water as at 30 June, 2019 could not be accounted for.

#### **9. Water Revenue Under Collection**

As disclosed in Note 4 to the financial statements, the statement of comprehensive income reflects operational income amounting to Kshs.319,415,541. However, a scrutiny of the billings reports for the twelve (12) months ended 30 June, 2019 reflected an amount of Kshs.335,428,911 resulting to an unexplained understatement of water sales by Kshs.16,013,370. Further, the reported water sales of Kshs.319,415,541 differs with the actual payments of Kshs.139,007,406 reflected in the payments report resulting to an unexplained variance of Kshs.180,408,135 representing 56.5% of the water billed.

Consequently, the accuracy of the reported operational income of Kshs.319,415,541 as at 30 June, 2019 could not confirmed.

#### **10. Unsupported Other Income**

The statement of comprehensive income reflects an amount of Kshs.153,021,232 relating to other income, out of which an amount of Kshs.43,825,211 was not supported by cashbooks, bank statements and bank reconciliation statements.

Under the circumstances, the accuracy and completeness of other income balance of Kshs.153,021,232 as at 30 June, 2019 could not be confirmed.

#### **11. Unsupported Bank Overdraft and Finance Costs**

The statements of financial position reflects an amount of Kshs.14,160,044 in respect of bank overdraft. However, bank statements, certificate of bank balances, ledgers and detailed schedules of the bank overdraft were not availed for audit review. Further, approval of the overdraft by the Board of Directors, requisition letters for the facility, and a signed agreement between the Company and the lenders were also not provided for audit review.

Similarly, schedules and bank statements supporting finance cost amounting to Kshs.1,686,183 were not provided for audit review.

Consequently, the accuracy, validity and the completeness of the reported overdraft of Kshs.14,160,044 and finance cost of Kshs.1,686,183 as at 30 June, 2019 could not be confirmed.

#### **12. Unvouched Expenditure**

During the year under review, the Company incurred a total expenditure of Kshs.292,856,156. However, payment vouchers and other supporting documents for an amount of Kshs.52,517,509 were not provided for audit review.

In the circumstances, the accuracy, validity and the propriety of the expenditure of Kshs.52,517,509 could not be ascertained.

### **13. Unapproved Budget**

During the period under review, the Company operated without an approved budget contrary to Section 43(2) of the Public Finance Management (County Governments) Regulations, 2015 which requires County Government entities to execute their approved budgets based on the annual appropriation legislation and the approved annual cash flow plan.

### **14. Variance Between the Financial Statements Balance and Payroll Records**

As disclosed in Note 5 to the financial statements, the statement of comprehensive income reflects an expenditure of Kshs.74,658,544 under personnel costs. However, scrutiny of payment and payroll records revealed the following;

- (i) The payroll records reflects an expenditure of Kshs.73,747,654 on personnel costs resulting to an unexplained variance of Kshs.468,200.
- (ii) Included in the personnel costs of Kshs.74,658,544 is an amount of Kshs.350,265 relating to training and workshop expenses. However, schedules and ledgers supporting the balance of Kshs.350,265 were not provided for audit review.
- (iii) An employee recruited on 02 January, 2019 as Deputy Technical Manager was not in the payroll system.

In the circumstances, the propriety of the expenditure of Kshs.74,658,544 on personnel cost as at 30 June, 2019 could not be confirmed.

### **15. Failure to Maintain a Fixed Assets Register**

The statement of financial position reflects a balance of Kshs.124,038,859 under non-current assets representing an increase of Kshs.34,918,941 from the previous year balance of Kshs.89,119,918 which was as a result of procurement of boreholes, computers, equipment and furniture during the year under review. However, the Company did not maintain a fixed assets register to record details of the assets contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

Under the circumstances, the accuracy, completeness, and existence of the assets balance of Kshs.124,038,859 as at 30 June,2019 could not be confirmed.

### **16. Drilling of Boreholes at ADC and Iftin Location**

During the year ended 30 June, 2019, the Company awarded contract worth Kshs.32,999,429 to a building and civil engineering company for construction of six (6)

boreholes at ADC and Iftin areas of Garissa Township. However, the contract was not advertised in the dailies and the Company website contrary to Section 96(2) of the Public Procurement and Asset Disposal Act, 2015. The Section requires a procuring entity to advertise in the Government tenders' portals or in its own website, or a notice in at least two daily newspapers of nationwide circulation.

Further, scrutiny of the Bills of Quantities, payment vouchers, cash books and bank statements and physical verification on the project revealed the following observations: -

- i) Examination of payment records revealed that contractor was paid an amount of Kshs.33,443,416 resulting to an overpayment of Kshs.443,987 above the contract sum of Kshs.32,999,429.
- ii) The Company did not maintain Project's progress reports while the second and third payment amounting to Kshs.23,521,200 were made without the engineer completion certificate.
- iii) Value Added Tax (VAT) amounting to Kshs.621,180 which was withheld had not been remitted to the Kenya Revenue Authority while the 3% withholding taxes for first and third payments to the contractor amounting to Kshs.1,003,302 were not deducted.
- iv) Although full payment was made to the contractor, physical verification carried out on 19 June, 2020 revealed that only four (4) boreholes were drilled, equipped and in use. The remaining two (2) bore holes were drilled but were not equipped although an amount of Kshs.2,429,700 was paid for equipment and works not done. Further, works such as construction of washrooms, fencing works and construction of control rooms and power houses worth Kshs.3,140,496 were not done.
- v) Three (3) boreholes at ADC were constructed in a private farm and this could lead to legal dispute between the Company and owners of the farms.
- vi) Feasibility study as well as the results of the chemical analysis test of all the six boreholes were not provided for audit verification.
- vii) According to the contract records, 5% administrative and supervision cost worth Kshs.1,354,656 were provided for in the Bills of Quantities. Although the amount was paid to the contractor, the same was not accounted for.

In the circumstances, the propriety of the expenditure for drilling boreholes of Kshs.32,999,429 could not be ascertained.

#### **17. Construction of 255 Cubic Meter Elevated Steel Tank**

The Company awarded a contract for the construction of 255 cubic meter elevated steel tank at a contract sum of Kshs.8,000,000 to a local contractor. Although the Project was implemented and verified, the Company did not provide the contract documents including

tender advertisement, Bills of Quantities, minutes of Tender Committees, contract agreements and Inspection and Acceptance Committee reports. In the absence of the tender documents, it was not possible to confirm whether the Project was competitively sourced and was implemented in accordance with the required specifications.

In the circumstances, it has not been possible to confirm whether the Company got value for money for the Projects implemented.

## **18. Unaccounted for Maintenance Expenses**

The Company spent an amount of Kshs.2,906,931 for the supply of installation and maintenance of the billing system. However, procurements records indicating how the supplier was identified, requisitions from the user departments, and the Inspection and Acceptance Committee report were not provided for audit review. Further, the contract agreement did not indicate the contract period.

Management was therefore, in breach of the law.

## **19. Procurement of Legal Services**

The Company paid a total of Kshs.2,250,000 to an advocate engaged to offer legal. However, documentary evidence indicating how the law firm was identified and legal fees determined were not availed for audit review.

In the circumstances, the propriety of Kshs.2,250,000 incurred on legal services could not be confirmed.

## **20. Weaknesses in Internal Controls**

### **20.1 Petty Cash**

A scrutiny of general ledger, bank statements and schedules availed for audit review revealed that cash withdrawals totalling to Kshs.11,211,160 were made during the financial year under review. The money was spent on office running expenses, staff allowances and payment of suppliers of goods and services. However, the Company did not maintain proper control procedures in the management of the petty cash. Further, no explanation was provided on why the payments to staff, casual workers and suppliers were not made through bank accounts.

### **20.2 Weak Information Technology (IT) Internal Controls**

As reported in the previous year, a walkthrough test on Information Technology (IT) internal controls revealed the following weaknesses: -

- i) The Company did not have strong Information Communication Technology (ICT) controls and an IT Department despite operating Information Technology (IT) enabled environment like billing software.

- ii) There were no Approved Policies on Information Technology security including Disaster Recovery Plan and IT Continuity Plan. Critical data or information may therefore, not be recovered in case a disaster occurs.
- iii) The Company did not have IT Strategic or Steering Committee which could result in non-implementation of IT governance, as part of enterprise governance.
- iv) There were no fire suppression systems and information may be lost in case of a fire outbreak.
- v) The Company lacked a Security Policy, an indication that there was no clear direction to maintain information security and to properly safeguard its assets.

Under the circumstances, the Company did not have a proper and functional Information Technology environment.

### **20.3 Lack of Internal Audit Department and Audit Committee**

As reported in the previous year, the Company did not have a functional internal audit department and had not established an Audit Committee to monitor the entity's governance process, accountability process and control system and offer objective advice on issues concerning risks control, regulatory requirement and governance of the Company.

In the circumstances, the Company's internal controls systems may be compromised.

### **20.4 Delivery and Supply of Submersible Pumps**

During the year ended 30 June, 2019, the Company procured two (2) submersible pumps worth Kshs.3,201,500 through request for quotations. However, the Management did not avail stores records such as stores register (ledger), counter receipt vouchers (S13s), counter requisition and issue vouchers (S11s), inspection and acceptance report to confirm the pumps were received, recorded and issued out to user departments. This is an indication of weak internal controls.

### **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.

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

#### **Conclusion**

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance

of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

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

### **Conclusion**

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting 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 governance.

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

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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. However, because of the matter described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. I also consider internal control, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion on lawfulness and effectiveness in use of public resources, and on effectiveness of internal controls, risk management and governance.

I am independent of the Garissa Water and Sewerage Company Limited Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.

**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**24 September, 2021**

**GARISSA WATER AND SEWERAGE COMPANY LTD**  
**STATEMENT OF COMPREHENSIVE**  
**INCOME**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	Note	2018-2019 Kshs	2017-2018 Kshs
<b>INCOME</b>			
Income from operations	4	319,415,541	206,693,547
Other income	4	<u>153,021,232</u>	<u>168,686,576</u>
<b>TOTAL</b>		<b><u>472,436,773</u></b>	<b><u>375,380,123</u></b>
<b>EXPENDITURE</b>			
Personnel Cost	5	74,658,844	66,675,182
Directors Emoluments	6	1,347,000	1,631,000
Administrative Expenses	7	41,603,251	42,941,782
Operating Expenditure	8	131,503,232	151,455,616
Finance Cost	9	1,686,183	157,891
Audit Fees	10	233,856	233,856
Depreciation Expenses	11	16,360,447	12,307,889
Project Costs	19	25,463,344	40,547,015
<b>TOTAL</b>		<b><u>292,856,156</u></b>	<b><u>315,950,231</u></b>
Surplus or Deficit from operation		<u>179,580,617</u>	<u>59,429,892</u>
<b>Net surplus/Deficit for the year</b>		<b><u>179,580,617</u></b>	<b><u>59,429,892</u></b>

**GARISSA WATER AND SEWERAGE CO.LTD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2019**

	Note	2018-2019 Shs	2017-2018 Shs
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and Equipment	11	124,038,859	89,119,918
		<u>124,038,859</u>	<u>89,119,918</u>
<b>Current Assets</b>			
Trade and Other Receivables	12	514,052,137	355,679,430
Cash and Cash Equivalents	13	24,424,235	14,453,207
		<u>538,476,371</u>	<u>370,132,637</u>
<b>Current Liabilities</b>			
Trade and Other payables	14	120,120,167	99,686,144
Bank overdraft Suspense	15	14,160,044	10,912,009
		<u>134,280,211</u>	<u>110,598,153</u>
Net Current Assets		<u>404,196,160</u>	<u>259,534,484</u>
<b>TOTAL ASSETS</b>		<u><b>528,235,019</b></u>	<u><b>348,654,402</b></u>
<b>EQUITY AND LIABILITIES</b>			
Share capital	16	100,000	100,000
Capital fund	17	31,758,485	31,758,485
Revenue Reserve	18	496,376,534	316,795,917
		<u>528,235,019</u>	<u>348,654,402</u>
<b>Non-Current Liabilities</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>528,235,019</b></u>	<u><b>348,654,402</b></u>

The financial statements on pages were approved for issue by the board of directors on

07/07/2020 and were signed on its behalf by:

.....  
Chairman

.....  
Director

**GARISSA WATER AND SEWERAGE COMPANY LTD**  
**STATEMENT OF CHANGES IN**  
**EQUITY**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	Share capital	Revenue reserve	Capital Fund	Total
	Kshs	Kshs	Kshs	Kshs
<b>1<sup>st</sup> July 2017</b>				
As stated	100,000	257,366,025	31,785,485	289,251,510
Adjusted Net Surplus for the year	-	59,429,892	-	59,429,892
<b>At 30<sup>th</sup> June 2018</b>	<b>100,000</b>	<b>316,795,917</b>	<b>31,785,485</b>	<b>348,681,402</b>

<b>1<sup>st</sup> July 2018</b>				
As stated	100,000	316,795,917	31,758,485	348,654,402
Adjusted Net Surplus for the year	-	179,580,617	-	179,580,617
<b>At 30<sup>th</sup> June 2019</b>	<b>100,000</b>	<b>496,376,534</b>	<b>31,758,485</b>	<b>528,235,019</b>

**GARISSA WATER AND SEWERAGE COMPANY LTD**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	2018-2019 Shs	2017-2018 Shs
<b><u>Cashflow from operating activities</u></b>		
Surplus for the year	179,580,617	59,429,892
<b>Add back:</b>		
Depreciation	16,360,447	12,307,889
	<b><u>195,941,064</u></b>	<b><u>71,737,781</u></b>
<b><u>Adjustment for working capital:</u></b>		
Decrease/Increase in Trade and other Receivables	(158,372,707)	(72,882,495)
Increase/Decrease in Trade and other Payables	20,434,023	28,548,656
<b>Net cash generated from operating activities</b>	<b><u>(137,938,684)</u></b>	<b><u>(44,333,839)</u></b>
<b><u>Cashflow from investing activities</u></b>		
Purchase of Property, Plant & Equipment	(51,279,387)	(2,027,564)
<b>Net cash utilised in investing activities</b>	<b><u>(51,279,387)</u></b>	<b><u>(2,027,564)</u></b>
<b><u>Cashflow from financing activities</u></b>		
Bank Overdraft	14,460,044	10,912,009
<b>Net cash generated from financing activities</b>	<b><u>14,460,044</u></b>	<b><u>10,912,009</u></b>
<b>Net(decrease)/ increase in cash and cash equivalent</b>	<b>21,183,037</b>	<b>34,384,625</b>
<b>Cash and Cash Equivalent as at 1.7. 2018</b>	<b><u>33,082,328</u></b>	<b><u>(1,302,297)</u></b>
<b>Cash and Cash Equivalent as at 30.6. 2019</b>	<b><u>54,265,365</u></b>	<b><u>33,082,328</u></b>

GARISSA WATER AND SEWERAGE COMPANT LIMITED  
STATEMENT OF BUDGET AND ACTUAL COMPARISON  
FOR THE YEAR ENDED 2019

	Budget	Actual		Budget	Actual		Explanatio n of material variances
	Jun-19	Jun-19	Variance	Cumulative to date	Cumulative to date	Variance	
	Shs	Shs	Shs	Shs	Shs	Shs	
<b>Revenue</b>							
Water	178,320,000	316,845,841	(138,525,841)			-	
Sewer		-	-			-	
Meter Rent		-	-			-	
Reconnection Fees		-	-			-	
Penalties		-	-			-	(a)
Others	1,680,000	155,590,932	(153,910,932)			-	(b)
<b>Total income</b>	<b>180,000,000</b>	<b>472,436,773</b>	<b>(292,436,773)</b>	-	-	-	
<b>Expenses</b>							
Personnel Cost	59,060,260	74,658,844	(15,598,584)			-	(c)
Directors Emoluments	3,080,000	1,347,000	1,733,000				
Administrative Expenses	11,905,651	41,603,251	(29,697,600)				(d)
Operating Expenditure	93,746,351	131,503,232	(37,756,881)				(e)
Finance Cost	209,004	1,686,183	(1,477,179)			-	(f)
Audit Fees	400,000	233,856	166,144			-	
Depreciation Expenses	-	16,360,447	(16,360,447)			-	
Project Costs	-	25,463,344	(25,463,344)			-	(g)
<b>Total expenditure</b>	<b>168,401,266</b>	<b>292,856,156</b>	<b>(124,454,890)</b>	-	-	-	
<b>Surplus for the period</b>	<b>11,598,734</b>	<b>179,580,617</b>	<b>(167,981,883)</b>	-	-	-	

*Explanatory notes*

- a) Movement is due to the payment of arrears by the customers the sewer meter rent and reconnection fees are included in the water sales.
- b) Movement is due to projects from donor agencies.
- c) Movement is due to increase in the wage bill.
- d) Movement is due to increase in the general administrative costs
- e) Movement is due to increase in the operation costs, replacement (Dilapidated elevated tanks) and increase in our plants (Bore holes).
- f) Movement is due to a facility taken with the bank.
- g) Movement is because we had not budgeted for Projects from our donors as this is the first time to include thistatement in our accounts but will henceforth.

**GARISSA WATER AND SEWERAGE COMPANY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

**1. Statement of compliance and basis of preparation**

Garissa Water and Sewerage Company Limited's financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the company. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on the accrual basis.

**2. Summary of significant accounting policies**

**a) Revenue recognition**

Garissa Water and Sewerage Company recognize revenue from water charges, reconnections renewal penalties and other income.

**b) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its 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.

**c) Provisions**

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

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

**GARISSA WATER AND SEWERAGE COMPANY LIMITED**  
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**FOR THE YEAR ENDED 30TH JUNE 2019**

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.

➤ ***Contingent liabilities***

The Entity 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 Entity 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 Entity 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.

**d) Nature and purpose of reserves**

The company maintains a revenue reserve account. This is used for future purchase of capitalequipment and any emergencies that may arise from time to time.

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

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

**f) Employee benefits**

➤ ***Retirement benefit plans***

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

**GARISSA WATER AND SEWERAGE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**g) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank 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 an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

**h) Comparative figures**

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

**i) Significant judgments and sources of estimation uncertainty**

➤ *Estimates and assumptions*

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

➤ *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 Entity.
- 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.

➤ *Depreciation*

Depreciation is calculated on the reducing balance basis to allocate the cost or the revalued amount to their residual values over estimated useful lives as follows;

- |                          |       |
|--------------------------|-------|
| • Land and Buildings     | 2%    |
| • Furniture and Fittings | 12.5% |

**GARISSA WATER AND SEWERAGE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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• Equipment and Facilities	12.5%
• Motor Vehicles	20%
• Computers	33%
• New Pipeline Extensions	10%
• Boreholes	10%

➤ ***Disposal of property and equipment***

Gains and losses on disposal of property and equipment are determined by reference to the carrying amounts and are recognized in the income statement in the year in which they arise.

**J) 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, 2019.

**3. In-kind contributions**

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

**GARISSA WATER AND SEWERAGE COMPANY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	2018-2019 AMOUNT Kshs	2017-2018 AMOUNT Kshs
<b>NOTE 4</b>		
<b>Operational income</b>		
Water sales during the year	316,845,841	205,293,747
Other income	2,569,700	1,399,800
<b>Sub-Total</b>	<b>319,415,541</b>	<b>206,693,547</b>
<b>Other income</b>		
WSTF - EU Share Gababa project	5,108,974	4,906,804
EU Share Shimbrey project	4,659,085	4,659,085
EU Share Korakora project	4,185,887	3,983,717
EU Share Labibombi project	554,123	9,393,655
WSTF-Bulla Noor Project	-	4,052,792
WSTF-Emergency drought Response Project	-	19,385,761
WSTF - Public Sanitation Facility Project	3,095,238	1,904,762
GGEP - Harajab water project	4,557,245	
GGEP - Libahlow water project	4,560,322	
GGEP - Shebta-aad water project	4,153,192	
Tender documents sale	-	-
Grant-in Aid (GOK)	10,381,445	-
County Government of Garissa	111,765,721	120,400,000
<b>Sub-Total</b>	<b>153,021,232</b>	<b>168,686,576</b>
<b>Total</b>	<b>472,436,773</b>	<b>375,380,123</b>
<b>NOTE 5</b>		
<b>Personnel costs</b>		
Salaries, Wages & Statutory deductions	74,308,579	65,953,302
Training and workshop	350,265	-
Staff Uniform	-	721,880
<b>Total</b>	<b>74,658,844</b>	<b>66,675,182</b>
<b>NOTE 6</b>		
<b>Directors Emoluments</b>		
Chairman's Honoraria	960,000	960,000
Directors Allowance	387,000	671,000
<b>Total</b>	<b>1,347,000</b>	<b>1,631,000</b>
<b>NOTE 7</b>		
<b>General Administrative Expenses</b>		
Travelling and Accomodation	1,488,050	762,300
Stationery and Printing	778,000	804,945
Professional and Legal Services	4,860,750	18,691,850
Postal /telephone/courier services	1,323,655	717,650
Insurance(motor Vehicle& Bikes)	1,200	12,000
Electricity-Administration	230,035	150,280
Promotion and Advertisement	1,041,000	444,680
Staff Welfare and Utility	3,022,362	2,637,340
WASCA Sports	-	62,350
WASPA	36,000	85,000
Corporate Social Responsibility	15,000	109,600
Provision for Bad & Doubtful Debts	28,297,199	18,313,787
Rent	510,000	150,000
<b>Total</b>	<b>41,603,251</b>	<b>42,941,782</b>
<b>NOTE 8</b>		
<b>Operating Expenditure</b>		
Operation and Maintainance	36,993,344	24,419,967
Electricity	58,174,055	57,342,303

**GARISSA WATER AND SEWERAGE COMPANY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	2018-2019 AMOUNT Kshs	2017-2018 AMOUNT Kshs
Transport operations and maintainance	5,328,906	6,766,694
Maintainance of plants,Equipment & Structure	13,209,649	33,063,195
Security Services	1,662,510	2,327,520
Chemicals	12,961,340	19,445,298
NWSB Levy	-	5,146,887
Garissa Municipal Council Levy	-	-
WASREB Levy	1,373,428	1,143,753
WARMA Levy	1,800,000	1,800,000
<b>Total</b>	<b>131,503,232</b>	<b>151,455,616</b>

**NOTE 9**

**Finance Cost**

Bank charges	1,686,183	157,891
<b>Total</b>	<b>1,686,183</b>	<b>157,891</b>

**NOTE 10**

**Provision for audit fees**

Provision for the year 2015-2016	233,856	233,856
<b>Total</b>	<b>233,856</b>	<b>233,856</b>

**NOTE 11**

Refer to page 29

**NOTE 12**

**Trade and other Receivables**

Trade Debtors	512,134,148	353,898,114
Share receivable	100,000	100,000
imprest	1,747,800	1,028,000
Salary Advance	-	-
Prepayment	70,189	653,316
<b>Total</b>	<b>514,052,137</b>	<b>355,679,430</b>

For the year 2018-2019, a general provision of 5% has been made

**NOTE 13**

**Cash and cash Equivalent**

Revenue Accounts - FCB (2976982901)	1,018,858	1,291,200
Development Account - KCB (1107767741)	8,024,139	100,779
Reserve Account - equity (058029748463)	-	-
General Account - FCB (2976982903)	-	3,823,077
Reserve Account -FCB (2976982902)	399,200	1,291,640
Cash in Hand	-	-
Cash in M-pesa (880600)	865,579	-
Post Bank Account (0744130011397)	207,080	206,950
Bulla Noor Project (0113437629101)	2,039	2,039
Drought Emergency Project (1207726249)	993	993
WSTF - EU Share Gababa project (0340002402)	29,680	161,554
EU Share Shimbrey project (0340002403)	849,313	4,655,354
EU Share Korakora project (0340002404)	61,950	246,716
EU Share Labibombi project (0340002405)	22,872	1,079,849
WSTF - Public Sanitation Facility Project (2976982917)	513,383	1,593,056
GGEP - Harajab water project (2976982918)	4,265,415	-
GGEP - Libahlow water project (2976982919)	4,304,372	-
GGEP - Shebta-aad water project (2976982920)	3,859,362	-
<b>Total</b>	<b>24,424,235</b>	<b>14,453,207</b>

**GARISSA WATER AND SEWERAGE COMPANY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	2018-2019 AMOUNT Kshs	2017-2018 AMOUNT Kshs
<b>NOTE 14</b>		
<b>Trade and other Payable</b>		
Trade Creditors	38,616,046	55,403,887
Provision for Audit fees	233,856	233,856
PAYE	20,565,316	4,795,833
NITA	5,200	7,200
NSSF	206,200	266,000
NHIF	120,600	19,300
HELB	3,655	3,655
Salaries Accrued	2,647,585	3,865,096
NUWASE	573,644	90,933
Equity Bank Check-off	149,336	154,951
Co-op Bank Check-off	117,010	90,276
Platinum Credit Check-off	264,652	242,991
Staff Welfare	-	-
Salary Advances	-	-
Maji Self Help Group	-	-
Pension Contribution Acrued	17,090,506	3,880,106
WASREB Acrued	8,055,065	6,681,637
WARMA June 16 Levy	9,415,000	7,615,000
NWSB Levy	12,008,574	7,615,000
Garissa Municipal Council Levy	7,726,923	7,726,923
Meter Deposits	2,321,000	993,500
<b>Total</b>	<b>120,120,167</b>	<b>99,686,144</b>
<b>NOTE 15</b>		
Development Account - KCB	-	-
General Account - FCB	14,160,044	10,912,009
Reserve Account - FCB	-	-
Revenue Account - FCB	-	-
Bank overdraft	-	-
<b>Total</b>	<b>14,160,044</b>	<b>10,912,009</b>
<b>NOTE 16</b>		
<b>Share Capital</b>		
Authorised 5000@kshs 20 each	100,000	100,000
Issued 5000@kshs 20 each		
Share Capital not paid		
<b>Total</b>	<b>100,000</b>	<b>100,000</b>
<b>NOTE 17</b>		
<b>Capital Fund</b>		
Capital is represented by the value of Non-Current Assets and Current Liabilities of the beginning of the year 2006 as stated below		
Fixed Assets	11,969,799	11,969,799
Inherited Debtors	21,351,302	21,351,302
Inherited Creditors	(1,562,616)	(1,562,616)
<b>Total</b>	<b>31,758,485</b>	<b>31,758,485</b>
<b>NOTE 18</b>		
<b>Revenue reserves</b>		
Balance at beginning of year	316,795,917	257,366,025
Net surplus for the year	179,580,617	59,429,892
Balance at end of year	496,376,534	316,795,917

**GARISSA WATER AND SEWERAGE COMPANY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	2018-2019 AMOUNT Kshs	2017-2018 AMOUNT Kshs
<b>NOTE 19</b>		
<b>GABABA WATER PAN</b>		
Construction of 20,000M <sup>3</sup> Water Pan Including Fencing	4,006,916	4,740,210
Portable 10HP pump, to pumpwater to the cattle troughs	100,000	
Supply and Lay 500M,50mmdia. UPVCclass B pipetu cattle trough	50,000	
1No. Shallow well equipped with a hand pump (Afridev)and connect with infiltration Galley	269,138	
2No. Cattle trough	505,970	
1No 2door VIP Latrine	202,170	
Community mobilization & sensitization	-	
Project Monitoring & Site Visit	80,000	
Capacity Building	8,654	5,040
Branding	20,000	
<b>Sub-Total Gababa Water Pan</b>	<b>5,242,848</b>	<b>4,745,250</b>
<b>SHIMBREY BOREHOLE DRILLING</b>		
275M Borehole drilling and development	3,233,800	
Buildings-Generator house	300,000	
Equiping of borehole with Genset and Groundfos pump	1,800,000	
Pipeline, fittings and appurtances structures	2,008,600	
Elevated 8m <sup>3</sup> plastic tank on concrete tower	700,000	
2 No. water kiosk	842,000	
1No. 2 door VIP Latrine	196,250	
Fencig of borehole perimeter	81,600	
Community mobilization & sensitization	-	
Project Monitoring & Site Visit	90,000	
Capacity Building	9,193	3,731
Branding		
<b>Sub-Total Shimbrey borehole Drilling</b>	<b>9,261,443</b>	<b>3,731</b>
<b>KORAKORA WATER SUPPLY REHABILITATION</b>		
Pleriminary and general items - signboard	50,000	
50M <sup>3</sup> Elevated Steel Tank on 6M tower	1,540,049	1,145,551
4 Km Pipeline and Appurtures	2,178,970	2,405,430
1 No. in-situ water kiosk	428,635	
1 No Stand Pipe	30,099	
1No 2 door VIP	20,607	181,563
Community mobilization & sensitization	-	
Project Monitoring & Site Visit	95,000	
Capacity Building	7,773	4,457
Branding	20,000	
Commissioning	-	
<b>Sub-Total Korakora Water Supply Rehabilitation</b>	<b>4,371,133</b>	<b>3,737,001</b>
<b>LABIBOMBI WATER PAN</b>		
Construction of 20,000M <sup>3</sup> Water Pan Including Fencing	1,092,985	7,580,428
Portable 10HP pump, to pump water for livestock to the cattle troughs	100,000	
Supply and Lay 500M, 50mm dia. UPVC class B pipe to cattle trough	50,000	
1No. Shallow well equipped with a hand pump (Afridev) and connected with infiltration Galley	269,138	
2No. Cattle trough	-	505,970
1No 2door VIP	-	202,170
Community mobilization & sensitization	-	15,000
Project Monitoring & Site Visit	75,000	5,000

**GARISSA WATER AND SEWERAGE COMPANY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	2018-2019 AMOUNT Kshs	2017-2018 AMOUNT Kshs
Capacity Building	5,877	5,238
Branding	18,000	
<b>Sub-Total Labobombi Water Pan</b>	<b>1,611,000</b>	<b>8,313,806</b>
<b>BULLA NOOR PROJECT</b>		
Administrative requirements	-	-
Accompanying measures	-	550
Construction of 1No. Closed kiosks	-	426,785
Pipeline Extensions	-	3,322,200
Construction of 1No. 300m3 Steel tank	-	134,728
Construction of 1No. Closed kiosks	-	67,000
Pipeline Extensions	-	731,287
<b>Sub-Total bulla Noor Water Project</b>	<b>-</b>	<b>4,682,550</b>
<b>EMERGENCY DROUGHT RESPONSE PROJECT</b>		
<b>REHABILITATION OF BOREHOLES</b>		
Amuma Borehole rehabilitation	-	180,000
Abdisamad Borehole rehabilitation	-	1,380,000
Dujis Borehole rehabilitation	-	180,000
Skanska 2 Borehole rehabilitation	-	300,000
Baraki (Kokar) Borehole rehabilitation	-	1,500,000
Bahuri Borehole rehabilitation	-	240,000
Ijara Water Tracking	-	4,349,120
Desilting Auliya water pan	-	3,780,000
Desilting Afuweine Water pan	-	2,730,000
Desilting Ijara water pan	-	2,520,008
Desilting Tinas water pan	-	1,660,000
Administrative Costs	-	793,533
<b>Sub-Total Drought Emergency Response</b>	<b>-</b>	<b>19,612,661</b>
<b>PUBLIC SANITATION FACILITY PROJECT</b>		
Accompanying measures for the project	102,830	
Transport Costs	88,000	
Administrative requirements	82,670	11,706
Construction of 1PSF and a septic Tank	3,701,530	
Consultant fee to design and support the new PSF	200,000	300,000
<b>Sub-Total Public Sanitation Facility</b>	<b>4,175,030</b>	<b>311,706</b>
<b>HARJAB WATER AND SANITATION PROJECT</b>		
Environmental Impact Assessment	150,000	-
Advertisement	60,320	-
Project Administration	41,790	-
<b>Sub-total Harajab Water &amp; Sanitation Project</b>	<b>252,110</b>	<b>-</b>
<b>LIBAHLOW WATER AND SANITATION PROJECT</b>		
Environmental Impact Assessment	150,000	-
Advertisement	60,320	-
Project Administration	45,630	-
<b>Sub-total Libahlow Water &amp; Sanitation Project</b>	<b>255,950</b>	<b>-</b>
<b>SHEBTA - AAD WATER AND SANITATION PROJECT</b>		
Environmental Impact Assessment	150,000	-
Advertisement	60,320	-
Project Administration	65,510	-
Project supervision, Monitoring and Contract Management	18,000	-
<b>Sub-total Shebta-aad Water &amp; Sanitation Project</b>	<b>293,830</b>	<b>-</b>

**GARISSA WATER AND SEWERAGE COMPANY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>AMOUNT</b>	<b>AMOUNT</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Sub-Total Project Costs</b>	<b>25,463,344</b>	<b>41,406,705</b>
Add: Opening Balances of projects Carried forward		
Less: Opening Balances of Projects Carried forward		<b>(859,690)</b>
<b>Total Project Costs</b>	<b>25,463,344</b>	<b>40,547,015</b>

GARISSA WATER AND SEWERAGE COMPANY LTD

APPENDIX I: NOTE 11 PROPERTY, PLANT AND EQUIPMENT AS AT 30TH JUNE 2019

Cost or Valuation:	Land and Buildings Kshs	Computers Kshs	Equipment Kshs	Furniture and Fittings Kshs	Motor Vehicles and Bikes Kshs	Pipeline Extensions Kshs	Boreholes Kshs	Total Kshs
At 01/07/2018	724,325	857,443	62,530,279	1,250,855	860,580	22,896,437	32,999,430	89,119,919
Additions:		213,000	17,241,957	825,000				51,279,387
Disposals								
Total as at 30/06/2019	724,325	1,070,443	79,772,236	2,075,855	860,580	22,896,437	32,999,430	140,399,306
Net Book Value: As at 30th June 2019	724,325	857,443	62,530,279	1,250,855	860,580	22,896,437		89,119,919
Additions		213,000	17,241,957	825,000				51,279,387
As at 30th June 2019 Before depreciation	724,325	1,070,443	79,772,236	2,075,855	860,580	22,896,437	32,999,430	140,399,306
DEPRECIATION:	2%	33%	12.5%	12.5%	20%	10%	10%	
As at 01/07/2018	62,218	2,816,796	24,822,007	1,640,846	11,233,924	8,424,422		49,000,213
Charge for the Year	14,487	353,246	9,971,530	259,482	172,116	2,289,644	3,299,943	16,360,447
Total Depreciation	76,705	3,170,042	34,793,537	1,900,328	11,406,040	10,714,066	3,299,943	65,360,660
Net Book Value: As at 30th June 2018	724,325	1,070,443	79,772,236	2,075,855	860,580	22,896,437	32,999,430	140,399,306
As at 30th June 2019	709,839	717,197	69,800,707	1,816,373	688,464	20,606,793	29,699,487	124,030,859

**GARISSA WATER AND SEWERAGE COMPANY LTD**  
**APPENDIX II: PROJECTS IMPLEMENTED 2018/2019**

Projects implemented by the company are funded by Water Sector Trust Fund (WSTF) who is one of our development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements(Yes/No)
WSTF - EU Share Gababa project	WSTF/RUP/WS/GARISSA/GAWASCO/ GABABA/14	WSTF	6 MONTHS	10,015,778.00	YES	YES
WSTF - EU Share Shimbrey project	WSTF/RUP/WS/GARISSA/GAWASCO/ SHIMBREY/16	WSTF	6 MONTHS	9,318,170.00	YES	YES
WSTF - EU Share Korakora project	WSTF/RUP/WS/GARISSA/GAWASCO/ KOARKORA/17	WSTF	6 MONTHS	8,169,604.00	YES	YES
WSTF - EU Share Labibombi project	WSTF/RUP/WS/GARISSA/GAWASCO/ GABABA/15	WSTF	6 MONTHS	10,015,778.00	YES	YES
WSTF - Bulla Noor Project	07W/NWSB/GARISSA/GARISSA/122	WSTF	6 MONTHS	16,436,684.25	YES	YES
WSTF -Emergency drought Response Project	GWC/WSTF/001/2017	WSTF	6 MONTHS	32,692,935.00	YES	YES
WSTF - Public Sanitation Facility Project	07S/NWSB/GARISSA/GARISSA/63	WSTF	6 MONTHS	5,000,000.00	YES	YES
WSTF - Harajab Water and Sanitation Project	RUP/1/W&S/GARISSA/GAWASCO/HA RAJAB/3	WSTF	9 MONTHS	19,258,439	YES	YES
WSTF - Libahlow Water and Sanitation Project	RUP/1/W&S/GARISSA/GAWASCO/LI BAHLOW/2	WSTF	9 MONTHS	23,036,034	YES	YES
WSTF - Shebta-aad Water and Sanitation Project	RUP/1/W&S/GARISSA/GAWASCO/SH EBTA-AAD/3	WSTF	9 MONTHS	19,115,464	YES	YES

**GARISSA WATER AND SEWERAGE COMPANY LTD**

**APPENDIX II: PROJECTS STATUS 2018/2019**

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
WSTF - EU Share Gababa project	10,015,778	9,988,098	100	10,015,778	9,988,098.00	WSTF
WSTF - EU Share Shimbrey project	9,318,170	4,658,085	99	9,318,170	4,658,085.00	WSTF
WSTF - EU Share Korakora project	8,169,604	8,108,134	99	8,169,604	8,108,134.00	WSTF
WSTF - EU Share Labibombi project	10,015,778	1,611,000	99	10,015,778	9,393,655.00	WSTF
WSTF - Bulla Noor Project	16,436,684	16,434,645	100	16,436,684	16,434,645.00	WSTF
WSTF -Emergency drought Response Project	32,692,935	32,461,943	100	32,692,935	13,307,174.00	WSTF
WSTF - Public Sanitation Facility Project	5,000,000	4,175,030	90	5,000,000	1,904,762.00	WSTF
WSTF - Harajab Water and Sanitation Project	19,258,438	252,110	1	19,258,439	252,110.00	WSTF
WSTF - Libahlow Water and Sanitation Project	23,036,034	255,950	1	23,036,034	255,950.00	WSTF
WSTF - Shebta-aad Water and Sanitation Project	19,115,465	293,830	2	19,115,464	293,830.00	WSTF