


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 08 APR 2025 DAY: _____	
TABLED BY:	Deputy Leader of the Majority Party
CLERK-AT-THE-TABLE:	P. MUGA

OF

THE AUDITOR-GENERAL

ON

**THE HORN OF AFRICA GROUNDWATER
FOR RESILIENCE PROJECT (IDA CREDIT
NO.70820-KE AND GRANT NO.P174867)**

**FOR THE YEAR ENDED
30 JUNE, 2024**

WATER RESOURCES AUTHORITY



PROJECT NAME: Horn of Africa Ground Water for Resilience Project

IMPLEMENTING ENTITY: Water Resources Authority

PROJECT GRANT/CREDIT NUMBER: IDA 70820

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

***Horn of Africa Groundwater for Resilience Project
Annual Report and Financial Statements for the financial year ended June 30, 2024***

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1. Acronyms and Definition of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
CT	County Treasury
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.
HOAGW4R	Horn of Africa Ground Water for Resilience project
WRA P I U	Water Resources Authority Project Implementation Unit

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is Horn of Africa-Groundwater for Resilience Project

Objective

The key objective of the project is to increase sustainable access to groundwater in the Horn of Africa Borderlands

Address

The project headquarters offices are in Nairobi County, Kenya. The address of its registered office is SHA Building, Wing B, 9th Floor P.O. Box 45250 00100, Ngong Road, Nairobi – Kenya

The project is being implemented in three sub basins and five Sub basin offices.

- 3 Basin offices; Nanyuki, Nakuru, Embu
- 6 Sub Basin Offices Garissa, Wajir, Mandera, Turkana and Marsabit.

Contacts: The following are the project contacts

NHIF Building, Wing B, 9th Floor P.O. Box 45250 00100, Ngong Road, Nairobi – Kenya

Telephone: (254) 020 2732291

E-mail: info@wra.go.ke

Website: www.wra.go.ke

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Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	The project start date is March 2022
Project End Date:	The project end date is Dec 2028
Project Manager:	The Project Coordinator is Agatha Njuguna
Project Sponsor:	The project sponsor is the World Bank

2.3 Project Overview

Line Ministry and State/ County Department	Ministry of Water, Sanitation and Irrigation State Department for Water
Project number	Kenya (P174867)
Strategic goals of the project	The strategic goals of the project are as follows: <ul style="list-style-type: none"> i) <i>Improve groundwater management and sustainability</i> ii) <i>Provide information for groundwater decision making</i>
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: <ul style="list-style-type: none"> (i) <i>Nature based solutions, Strengthening conservation, sustainable use and recharge of the 8 aquifers in the ASALs of Kenya</i> (ii) <i>Groundwater & Drought Information Enhancement</i>
Other important background information of the project	The project - Horn of Africa Groundwater for Resilience Project – Kenya
Areas that the project was formed to intervene	The project was formed to intervene in the following problems/gaps: <ul style="list-style-type: none"> (i) Poor knowledgebase of the aquifers (ii) Poor groundwater management (iii) Water conflicts
Project duration	6 Years

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

- (i) Sidian Bank

Kenyatta Avenue Branch

Account Number 01003710001257

- (ii) Designated account (DA-D) WRA

Central Bank of Kenya

Account number; 1000622989

Nairobi

2.5 Independent Auditor

The project is audited by the Office of the Auditor General.

2.6 Roles and Responsibilities of key project members.

No	Names	Title designation	Key qualification	Responsibilities
1.	Mohamed M. Shurie, OGW, MBS	Chief Executive Officer	BSC Phy/Math, BSC Geology, MBA Executive,	Accounting Officer
2.	James Mburu	Manager Corporate Services	MSc finance, B com CPA K CIA	Coordinating Finance and Accounting, Client Connection
3.	Agatha Njuguna	PIU Coordinator	MSc. In Groundwater Hydrology MBA- Project Management Bsc. Geology	Project Management
4.	Vitalis Chelimo	Project Procurement Specialist	MSC procurement and logistics BSc. Management	Procurement

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			purchasing and supplies management.	
5.	George Karichu	Project Accountant	Bsc. Business Admin. Accounting CPA	Accounting and Financial Statements
5.	Phoebe Orina	WRUAs/Safeguards	Masters in Development studies (community development) Bachelors in Disaster mitigation and sustainable development	Support WRUAs and Social Safeguards
6.	Leah Mukiite	M&E	Msc Urban Management and Development, Bsc Geography	Monitoring and Evaluation
7	Meschack Amimo	Hydrogeologist	PHD Water Resources Management, MSC Hydrology, BSC Geology	Project Hydrogeologist in charge of AADMP and MAR
8	Jared Otieno	Project Engineer	Bachelors Landscape Architecture	Support the Implementataion of MAR Infrastructure
9	Jimmy Loriwo	Administration	BA Public Administration	Administration
10	Barbara Mumbua	Project Communication	BA in Sociolgy and communication	Project communication matters

2.7 Funding summary

Project is for a duration of 6 years from 2022 to 2028 with an approved budget of Euros 40,566,600.00 equivalent to Kshs 5,115,510,000.00 as highlighted in the table below:

Horn of Africa Groundwater for Resilience Project
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Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30th June 2024)		Undrawn balance to date	
	Donor currency (Euros)	Kshs	Donor currency (Euros)	Kshs	Donor currency (Euros)	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
(i) Grant						
WORLD BANK	40,566,600	5,115,510,000	1,333,328	208,885,831	39,233,272	4,906,624,169
Total	40,566,600	5,115,510,000	1,333,328	208,885,831	39,233,272	4,906,624,169

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30th June 2024)		Cumulative amount paid to date – (30th June 2024)		Unutilised balance to date (30th June 2024)	
	<i>Donor currency (EUROS)</i>	<i>Kshs</i>	<i>Donor currency (EUROS)</i>	<i>Kshs</i>	<i>Donor currency (EUROS)</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Grant						
WORLD BANK	1,333,328	208,885,831	865,369	135,572,989	467,959	73,312,842
Total	1,333,328	208,885,831	865,369	135,572,989	467,959	73,312,842

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

i) *Budget performance against actual amounts for the current year and for cumulative to-date,*

Year	Budget Amount	Disbursed Amount	Absorption Rate%
2023/2024	550,000,000	208,885,831	37.9%
Cumulative to date	550,000,000	208,885,831	37.9%

ii) Physical progress based on outputs and outcomes since project commencement,

The project has mapped and prioritised out the WRUAs who will benefit from the project. The project has commenced the procurement of consultancies that will undertake aquifer assessments and siting and design for managed aquifer recharge, develop a groundwater information system.. The project has acquired vehicles, computers and furniture for the project offices.

iii) List the implementation challenges and recommend the next steps.

- The procurement process has been lengthy owing to the back-and-forth approval process with the World Bank
- Budget cuts which make implementation of planned activities a challenge. Provision of funds should be as the budget.

2.9 Summary of Project Compliance:

In term of financial compliance, the project is implemented and managed as per the Financing Agreement, Financial manual and the project appraisal document. World bank procurement guidelines are strictly followed in the procurement of goods, consultancies and works. In addition, the project utilizes the development environmental and Resettlement frameworks in implementation of Environmental and Resettlement Action Plans without causing any harm to the environment and affecting the livelihoods of the project affected persons. This is reported and monitored through the monthly implementation progress reports of Contractors Environmental and Social Management plans.

3. Statement of performance against predetermined objectives

Project	Objective	Outcome	Indicator	Performance
Horn of Africa Groundwater for Resilience Project	Increase sustainable access and management of groundwater in the NEDI counties	Groundwater conservation and resilience	<ul style="list-style-type: none"> • Enhance capacity of WRUAs • Enhance storage capacity of aquifers • Improve drought preparedness • Protect aquifer recharge zones • Improve and enhance strategic borehole networks 	Up to the end of 2023/24 financial year procurement of WRUA areas had been identified through a stakeholder consultation in all the beneficiary counties 43 WRUAs were prioritised for first phase implementation of activities with WRUAs
		Monitoring, Information & Knowledge Systems	<ul style="list-style-type: none"> • Develop aquifer assessments, development and management plans • Develop groundwater resources information management systems and decision support tools 	Up to the end of 2023/24 financial year procurement of aquifer assessment consultants had started and request for proposals submitted by the consultants.

Below, we provide the progress on attaining the stated objectives:

Tasks Planned for FY23/24	What has been achieved in the reporting period	Key challenges that affected implementation
Activity 1 - Establishment, mobilization, and capacity building of WRUAs covering the selected aquifers.		
<p>The prioritisation of WRUAs is an ongoing process; the choice is based on a GIS based prioritisation criteria including the priority lists of boreholes from WSTF/ County projects.</p>	<ul style="list-style-type: none"> • Process is ongoing and a shortlist of first phase WRUAs has been done numbering 43No. in total. 16No. WRUAs are new and will need to be formed while 27No. are existing WRUAs and will undergo a capacity assessment to ready them for SCMP development. • During the quarter a concept was developed to enable carry out mobilization and capacity assessment for the 43No. WRUAs. • A readiness working session to equip the Basin and Sub Basin staff with the necessary tools to onboard the 43 WRUAs, social and environmental safeguards as well as M&E framework to facilitate development of Key Performance Indicators (KPIs) for Results monitoring was undertaken. • The 43 WRUAs have already been registered on the MIS system through the Kobo- Tool Kit and KPIs 	

	<p>for WRUA related activities developed that build up to the result indicators for sub component 1A activities.</p> <ul style="list-style-type: none"> • Together with the MIS Data team at the WorldBank, we have developed a WRUA tracker in MIS for WRUA related activities. 	
Activity 2 - Implementation and Preparation of Sub-catchment management plans by WRUAs.		
<p>Consultancy Services to Undertake Feasibility Studies, Design and Construction Supervision of Managed Aquifer Recharge infrastructures (MAR) in the five counties of Turkana, Marsabit, Mandera, Wajir and Garissa.</p>	<p>Following No Objection of the shortlisting report, RFP was issued to the shortlisted consultants on 8th January, 2024. The Technical and Financial Proposals were received ,5 No. Proposals were received, technical evaluations were done and reports submitted to the Bank. The Final Technical evaluation report was submitted to the Bank for No Objection and a No Objection from the Bank was issued on 24th June 2024. The consultants were invited for the public opening of the financial proposals on 26th June 2024. The opening of the financial proposals was slotted for 4th July 2024.</p>	
Activity 3 - Protection of aquifer recharge zones through gazettelement and investments in Nature-Based infrastructure to be handed over to WRUAs.		
<p>Identification of recharge areas</p>	<p>The AADMP consultant who will be instrumental in identification and delineation of the recharge areas is</p>	

	<p>being procured for all the eight number aquifers proposed to be gazetted.</p> <p>Among the prioritized WRUAs 16 of them were selected based on their location on the eight number aquifer recharge areas.</p>	
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Activity 15. Acquisition of various Groundwater Management equipment.		
Supply and Delivery of Project vehicles	Contract awarded	Delivered in December 2023
Supply and Delivery of various Groundwater equipment	Bids for WRA Groundwater equipment were advertised	Awaiting bids to be submitted
Supply and Delivery of ICT equipment	Contract awarded	Delivered in December 2023
Supply and delivery of furniture and conference equipment	Contract awarded	Delivered in December 2023

Tasks Planned for FY23/24	What has been achieved in the reporting period	Key challenges faced
Activity 16 Aquifer Assessments, Development and Management plans (AAD&MP) for selected aquifers in NEDI 1, and management plans of Nakuru and Nairobi aquifers, along with the exploration wells for these aquifers.		
<p>Consultancy to undertake Aquifer Assessments, Preparation of Development and Management plans (AADMPs) for Lotikipi/Napuu Aquifers</p>	<p>No Objection issued on 5th January, 2024. The final RFP was issued to the eight (8) shortlisted consultants on 9th January, 2023. A virtual pre-proposal conference was held on 25th January, 2024. Clarifications to Consultants was issued through Addendum No.1 on 26th January, 2024. The submission of the Request for Proposal closed on Wednesday 15th February, 2024 at 1200HRS East Africa local time. Six (6) firms out of the eight (8) firms issued with the Request for Proposal document submitted their Technical Proposal</p> <p>The Final Technical evaluation report was submitted to the Bank for No Objection on 26th June 2024 and a No Objection from the Bank was issued on 28th June 2024. Five firms met the minimum technical score The consultants were invited for the public opening of the financial proposals on 28th June 2024. The opening of financial proposals are slotted for 5th July 2024.</p>	<p>The combined technical and financial reports as well as the negotiated contract will be uploaded on STEP</p>
<p>Consultancy to undertake Aquifer Assessments, Preparation of Development and Management plans (AADMPs) for Walda-Rawana, Logologo-Shuur, Mandera West and Elwak Aquifers.</p>	<p>Following No Objection of the shortlisting report and RFP given no objection on 5th January, 2024 by World Bank team, RFP issued to the shortlisted consultants on 8th January, 2024. The Technical and Financial Proposals were received on 14th February 2024. 7 No. Proposals were received and the technical evaluations were done and reports submitted to the Bank. The Final Technical evaluation report was submitted to the Bank for No</p>	<p>The combined technical and financial reports as well as the negotiated contract will be uploaded on STEP</p>

Tasks Planned for FY23/24	What has been achieved in the reporting period	Key challenges faced
	Objection on 20 th June 2024 and a No Objection from the Bank was issued on 24 th June 2024. Five firms met the minimum technical scores, The consultants were invited for the public opening of the financial proposals on 26 th June 2024 slotted for 4 th July 2024,	
Consultancy to undertake Aquifer Assessments, Preparation of Development and Management plans (AADMPs) for Merti Aquifer.	<p>The submission of the RFPs closed on Wednesday 14th February, 2024 at 1100HRS East Africa local time. Seven (7) firms out of the eight (8) firms issued with the Request for Proposal document submitted their Technical Proposal .</p> <p>The Final Technical evaluation report was submitted to the Bank for No Objection on 26th June 2024 and a No Objection from the Bank for the Technical Evaluation report was issued on 27th June 2024. The five consultants recommended for financial evaluation were invited for the public opening of the financial proposals on 28th June 2024. Date for the public opening of the financial proposals set on 5th July 2024 at 10.00am.</p>	The combined technical and financial reports as well as the negotiated contract will be uploaded on STEP
Consultancy to undertake Aquifer Assessments, Preparation of Development and Management plans (AADMPs) for Neogene Aquifer.	<p>RFP was issued to the shortlisted consultants on 8th January, 2024. The Technical and Financial Proposals were received on 14th February 2024. 8 No. Proposals were received and the technical evaluations were done and reports submitted to the Bank. The Final Technical evaluation report was submitted to the Bank for No Objection on 26th June 2024 and a No Objection from the Bank was issued on 28th June 2024. 5 firms qualified for the minimum</p>	The combined technical and financial reports as well as the negotiated contract will be uploaded on STEP

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Tasks Planned for FY23/24	What has been achieved in the reporting period	Key challenges faced
	technical scores. The consultants were invited for the public opening of the financial proposals on 28 th June 2024. The financial Opening for proposals was set for 5 th July 2024	
Senior Groundwater Management Advisor individual consultant	Shortlisting reports were done and Financial report requested from consultant ranked number 3. This contract has now been awarded	None
Activity 17. Establishing a monitoring network in the selected aquifers of NEDI and linking these to the upgraded Groundwater Management Information System, including creating a mobile App to boost user interface and reporting on boreholes.		
Consultancy to develop and implement Groundwater Management Information System	Following No Objection of the shortlisting report and RFP given no objection on 15 th January, 2024 by World Bank team, RFP was issued to the shortlisted consultants on 16th January, 2024. The Technical and Financial Proposals were received on 23RD February 2024. 4 No. Proposals were received and the technical evaluations were done and reports submitted to the Bank. The Final Technical evaluation report was submitted to the Bank for No Objection on 20 th June 2024 and a No Objection from the Bank was issued on 24 th June 2024. Two firms met the minimum technical score. The consultants were invited for the public opening of the financial proposals on 26 th June 2024 slotted for 4 th July 2024	The combined technical and financial reports as well as the negotiated contract will be uploaded on STEP
Consultancy for Data aggregation	Following No Objection of the shortlisting report, RFP was issued to the shortlisted consultants on 8 th January, 2024. The Technical and Financial Proposals were received on 14 th February 2024. 5No. Proposals were received and the technical evaluations were done. Two firms met the minimum technical score, they were	The combined technical and financial reports as well as the negotiated contract will be uploaded on STEP

Tasks Planned for FY23/24	What has been achieved in the reporting period	Key challenges faced
	invited for a public opening of the financial proposals that was slotted for the 4 th July 2024.	
Supply and Delivery of various Groundwater management equipment for WRA	Adverts for procurement of groundwater equipment was done on and bids were received on 29 TH May 2024. The bids were received on 18 th June 2024. The evaluation reports compilation are ongoing	

4. Environmental and Sustainability Reporting

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

i) Sustainability strategy and profile

The organization has a strategic plan with strategic objectives towards attaining and delivering our mandate as bestowed through Water Act 2016

The chief executive Office has committed to deliver on corporate quality objective through committing to a Quality Management System (QMS) the Institutional Corporate Quality Policy that relates to the overall Vision, Mission, and Values that are:

a. Strategic Plan 2023-2027

Water Resources Authority is mandated to regulate the management and use of water resources in Kenya. Water is life as the maxim goes. WRA's Strategic objectives, Vision, Motto, and core values are all focused to ensure better livelihood through provision of adequate and sustainable water resources.

b. Quality management systems-ISO 9001:2015

To ensure provision of quality service to our customers WRA has committed to the Quality Management system and is ISO: 9001-2015 certified. During the year WRA successfully underwent its second QMS-ISO Certification surveillance audit.

c. Customer service charter

WRA has committed and published its Customer service charter and set quality objective at all its operational levels that is open to the public for transparency and accountability on service delivery.

Water Resources management is environmental and well as natural resources sector responsibility that WRA has committed through Quality Objectives, set customer service Charters :

ii) Environmental performance

Implementation of the project activities strictly follows the provisions of the developed Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) and Environmental and social safeguards will be implemented in accordance with the Kenyan legislation. Environmental licenses are delivered by NEMA in due time prior to implementation of works.

iii) Employee welfare

The Human Resource component in Water Resources Authority continues to play a critical role in the achievement of the organizational goals as stipulated in the Strategic Plan. The Authority believes in the best skills for best performance. It has therefore continuously improved staff development. During the period under review a number of staff undertook different training mainly with the support of development partners

iv) Marketplace practices-

The project strictly follows the banks procurement guidelines coupled with the provisions of Procurement and Disposal Act 2015 that promotes competitive bidding process.

a) Responsible Supply chain and supplier relations-

Clear Agreements and transparent contracts that detail expectations, deliverables, timelines and payment terms. Ensure contracts comply with legal requirements, Fulfil contractual obligations on time and communicate proactively if delays or changes are anticipated. Pay Suppliers/Contractors/Consultants promptly as per agreed terms. Negotiate reasonable payment terms that balance the needs of the parties. Address and resolve disputes quickly and fairly.

Treat suppliers as partners and encourage collaborative and mutual growth

v) Community Engagements

The project has subcomponent 1A where the Water Resources Authority works with the local community through Water Resources Users Association. The activities include strengthening the capacity of water users at the community level for local adaptive groundwater resources management strategies as well as investments in nature-based infrastructure solutions and conservation efforts for enhanced groundwater recharge. The communities also will be given livelihood grants as part of their activities.

5. Statement of Project Management Responsibilities

The **Chief Executive Officer** Water Resources Authority and the **Project Coordinator** Horn of Africa Ground Water for Resilience (WRA PIU) are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for the financial year ended on June 30, 2024.

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 project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

Chief Executive Officer Water Resources Authority and the **Project Coordinator** Horn of Africa Ground Water for Resilience (WRA PIU) accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

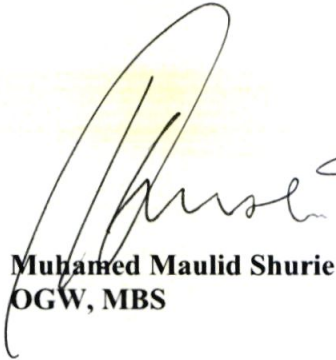
Chief Executive Officer Water Resources Authority and the **Project Coordinator** Horn of Africa Ground Water for Resilience (WRA PIU) are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June 30, 2024, and of the Project's financial position as at that date. The **Chief Executive Officer** Water Resources Authority and the **Project Coordinator** Horn of Africa Ground Water for Resilience (WRA PIU) further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements and the adequacy of the systems of internal financial control.

The **Chief Executive Officer** Water Resources Authority and the **Project Coordinator** Horn of Africa Ground Water for Resilience (WRA PIU) confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

***Horn of Africa Groundwater for Resilience Project
Annual Report and Financial Statements for the financial year ended June 30, 2024***

Approval of the Project Financial Statements

The Project financial statements were approved by the **Chief Executive Officer** Water Resources Authority and the **Project Coordinator** Horn of Africa Ground Water for Resilience (WRA PIU) on 26/09/2024 and signed by:



Muhammed Maulid Shurie
OGW, MBS

Chief Executive Officer



Agatha Njuguna

Project Coordinator



James Mburu

**Manager Corporate
Services
ICPAK Member No: 6563**

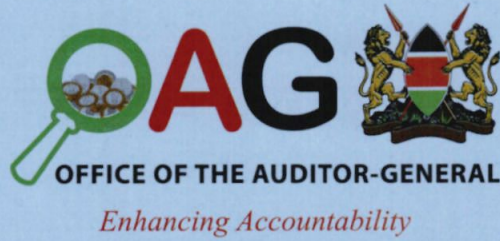
Date 26/09/2024

Date 26/09/24

Date 26/09/24

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON THE HORN OF AFRICA GROUNDWATER FOR RESILIENCE PROJECT (IDA CREDIT NO.70820-KE AND GRANT NO.P174867) FOR THE YEAR ENDED 30 JUNE, 2024 - WATER RESOURCES AUTHORITY

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Horn of Africa Groundwater for Resilience Project - IDA Credit No.70820KE and Grant No.174867 - Water Resources

Report of the Auditor-General on the Horn of Africa Groundwater for Resilience Project (IDA Credit No.70820-KE and Grant No.P174867) for the year ended 30 June, 2024 - Water Resources Authority

Authority, set out on pages 1 to 17, which comprise the statement of financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, 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, the financial statements present fairly, in all material respects, the financial position of Horn of Africa Groundwater for Resilience Project - IDA Credit No.70820-KE and Grant No.174867 Water Resources Authority as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Public Finance Management Act, 2012 and the Financing Agreement No.70820-KE dated 01 September, 2022 between the Republic of Kenya and the International Development Association (IDA).

In addition, the special accounts statements present fairly, transactions for the year, and the closing balance have been reconciled with the books of account.

Basis for Opinion

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Horn of Africa Groundwater for Resilience Project - IDA Credit No.70820-KE - Water Resources Authority Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a budgeted final receipt of Kshs.550,000,000 and actual receipt on comparable basis of Kshs.208,885,831 resulting into under funding of Kshs.341,114,169 or 62%. Similarly, the statement of comparison of budget and actual amounts reflects actual receipts of Kshs.208,885,831 and expenditure of Kshs.135,572,989 resulting in an under absorption of Kshs.73,312,842 or 25% of actual receipts.

The under-funding and under-absorption affected the planned activities of the project and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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 Information

The Management is responsible for the other information set out on page iii to xxii which comprise of Project Information and Overall Performance, Statement of performance against project's predetermined objectives, Environmental and Sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on Horn of Africa Groundwater for Resilience Project - IDA Credit No.70820-KE - Water Resources Authority financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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.

Late Submission of the Annual Report and Financial Statements

The Authority submitted the financial statements for Horn of Africa Groundwater for Resilience Project to the Office of the Auditor-General on 2 December, 2024 two (2) months after the deadline of 30 September, 2024. This was done contrary to Section 47(1) of the Public Audit Act, 2015 which requires public entities to submit their financial statements to the Auditor-General three (3) months after the closure of the fiscal year to which accounts relate.

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

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

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 December, 2024

*Horn of Africa Groundwater for Resilience Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

7. Statement of Receipts and Payments for the Year Ended 30th June 2024.

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2023/2024			2022/2023			
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts								
Proceeds from domestic and foreign grants	1	208,885,831	-	208,885,831	-	-	-	208,885,831
Miscellaneous receipts	2	-	-	-	-	-	-	-
Total receipts		208,885,831	-	208,885,831	-	-	-	208,885,831
Payments								
Purchase of goods and services	3	56,936,564	-	56,936,564	-	-	-	56,936,564
Acquisition of non-financial assets	4	78,636,425	-	78,636,425	-	-	-	78,636,425
Other grants and transfers /payments		-	-	-	-	-	-	-
Total payments		135,572,989	-	135,572,989	-	-	-	135,572,989
Surplus (deficit)		73,312,842	-	73,312,842	-	-	-	73,312,842


Muhamed Maulid Shurie
OGW, MBS

Chief Executive Officer

Date: 26/09/2024


Agatha Njuguna

Project Coordinator

Date: 26/09/24


James Mburu

Manager Corporate Services

ICPAK Member No: 6563

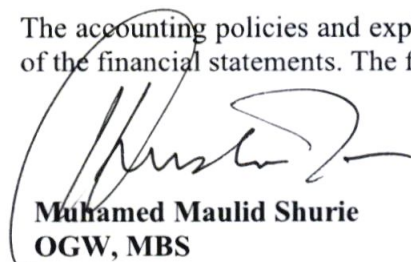
Date: 26/09/2024

Horn of Africa Groundwater for Resilience Project
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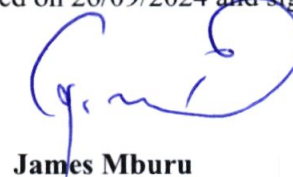
8. Statement of Financial Assets and Liabilities as at 30th June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	5.A	73,312,842	0
Cash Balances		-	0
Cash equivalents (Short-term deposits)		-	0
Total Cash and Cash equivalents		73,312,842	0
Imprests and Advances		-	0
Total Financial Assets		73,312,842	0
Financial Liabilities			
Third party Deposits and Retention		-	0
Net Assets		73,312,842	0
Represented By			
Fund Balance B/fwd.		-	0
Prior Year adjustments		-	0
Surplus/(Deficit) for the Year		73,312,842	0
Net Financial Position		73,312,842	0

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 26/09/2024 and signed by:


Muhamed Maulid Shurie
 OGW, MBS


Agatha Njuguna


James Mburu

Chief Executive Officer

Project Coordinator

Manager Corporate Services

ICPAK Member No: 6563

Date.....

26/09/2024

Date.....

26/09/24

Date.....

26/09/24

*Horn of Africa Groundwater for Resilience Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

9. Statement of Cash flows for the year ended 30th June 2024

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Proceeds from domestic and foreign grants	1	208,885,831	0
Miscellaneous receipts	2	-	0
Total receipts		208,885,831	0
Payments			
Purchase of goods and services	3	56,936,564	0
Other grants and transfers		-	0
Total Payments		56,936,564	0
Net receipts/(payments)		151,949,267	0
Adjustments during the year			
Prior year adjustments		-	0
Decrease/(increase) in accounts receivable		-	0
Increase/(decrease) in accounts payable:		-	0
Net cash flow from operating activities		-	0
Cashflow from investing activities			
Acquisition of non-financial assets	4	78,636,425	0
Net cash flows from investing activities		(78,636,425)	0
Cash flow from financing activities			
Proceeds from foreign borrowings		-	0
Net cash flow from financing activities		-	0
Net increase in cash and cash equivalents		73,312,842	0
Cash and cash equivalent at beginning of the year		-	0
Cash and cash equivalent at end of the year	5	73,312,842	0

Horn of Africa Groundwater for Resilience Project
Annual Report and Financial Statements for the financial year ended June 30, 2024

10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2024

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Proceeds from domestic and foreign grants	1,300,000,000	- 750,000,000	550,000,000	208,885,831	341,114,169	37.98
Miscellaneous receipts	0		0	0	-	0.00
Total Receipts	1,300,000,000	- 750,000,000	550,000,000	208,885,831	341,114,169	37.98
Payments						
Purchase of goods and services	1,077,750,000	- 635,550,000	442,200,000	56,936,564	385,263,436	12.88
Acquisition of non-financial assets	222,250,000	- 114,450,000	107,800,000	78,636,425	29,163,575	72.95
Other grants and transfers				0	-	0.00
Total Payments	1,300,000,000	- 750,000,000	550,000,000	135,572,989	414,427,011	24.65
Surplus or Deficit	-	-	-	73,312,842		

Note: The significant budget utilization/performance differences in the last column are explained in Annex 1 to these financial statements.

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

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

b) Reporting entity

The financial statements are for Horn of Africa Groundwater for Resilience Project under the Water Resources Authority P. I. U as required by Section 81/ Section 164 of the PFM Act, 2012.

c) Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), the project's functional and reporting currency. All values are rounded to the nearest Kenya Shilling.

d) Recognition of receipts

Horn of Africa Groundwater for Resilience Project WRA P. I.U recognizes all receipts from various sources when an event occurs, and the related cash is received.

i) Transfers from the Exchequer

Transfers from the Exchequer are recognized in the books of accounts when cash is received. Cash is considered received when a payment instruction is issued to the bank and the receiving entity is notified.

Significant Accounting Policies (continued)

ii) External Assistance

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

iii) Other receipts

This includes Appropriation-in-Aid and relates to receipts such as proceeds from the disposal of assets and the sale of tender documents. These are recognized in the financial statements when associated cash is received.

iv) Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when payment advice is received by the recipient entity or by the beneficiary. In the case of a grant/donation in kind, such grants are recorded upon receipt of the grant item and its value determined. The transaction date is the value date indicated on the payment advice.

v) Proceeds from borrowing.

Borrowing includes external loans acquired by the Project or any other debt the Project may take and will be treated on cash basis and recognized as a receipt during the year they were received.

vi) Undrawn external assistance

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

Significant Accounting Policies (continued)

e) Recognition of payments

The Project recognises all payments when the event occurs, and the related cash has been paid out by the Project.

i) Compensation to employees

Salaries, wages, Allowances, and Statutory Contributions for employees are recognized when the compensation is paid.

ii) Use of goods and services

Goods and services are recognized as payments when the goods/services are consumed and paid for. If not paid for when goods/services are consumed, they shall be disclosed as pending bills.

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

Repayment of the principal amount of borrowing is recognized as payment in the period in which the repayment is made. The debt stock is disclosed as an annexure to the consolidated financial statements.

v) Acquisition of fixed assets

The payment on the acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items, respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as a receipt and as a payment. A fixed asset register is maintained by each public entity, and a summary is provided for consolidation purposes. This summary is disclosed as an annexure to the consolidated financial statements.

Significant Accounting Policies (continued)

f) In-kind donations

In-kind contributions are donations made to the Project 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 Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

g) Cash and cash equivalents

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

h) Restriction on cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

Significant Accounting Policies (Continued)

i) Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

j) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public-Private Partnerships,
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.

Significant Accounting Policies (Continued)

k) Contingent Assets

Water Resources Authority 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 *Water Resources Authority* 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.

l) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance.' When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

m) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements*.

Significant Accounting Policies (Continued)

n) Third-party payments

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

o) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates (Kenya Shillings). Transactions in foreign currencies during the year/period are converted into functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2024.

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). There were no prior year adjustments since this is the first year of implementation.

12. Notes to the Financial Statements

1. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2024, we received grants from donors as detailed in the table below:

Name of Donor	Date received	2023/2024					2022/2023	Cumulative to date
		Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	
		EUROS	Kshs	Kshs	Kshs	Kshs	Kshs	
Grants Received from Multilateral Donors (International Organizations) WORLD BANK	21/09/2023	1,333,328	208,885,831	0	0	208,885,831	0	208,885,831
Total		1,333,328	208,885,831	0	0	208,885,831	0	208,885,831

Notes to the Financial Statements (Continued)

2. Miscellaneous receipts

Description	2023/2024			2022/2023	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	Total receipts	
	Kshs	Kshs	Kshs	Kshs	Kshs
Property income	0	0	0	0	0
Sales of goods and services	0	0	0	0	0
Administrative fees and charges	0	0	0	0	0
Fines, penalties, and forfeitures	0	0	0	0	0
Voluntary transfers other than grants	0	0	0	0	0
Other receipts not classified elsewhere*	0	0	0	0	0
Total	0	0	0	0	0

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Notes to the Financial Statements (Continued)

3. Purchase of Goods and Services

Description	2023/2024			2022/2023	Cumulative to- date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	0	0	0	0	0
Communication, supplies and services	0	0	0	0	0
Domestic travel and subsistence	31,604,056	0	31,604,056	0	31,604,056
Foreign travel and subsistence	0	0	0	0	0
Printing, advertising, and information supplies	3,259,838	0	3,259,838	0	3,259,838
Rentals of produced assets	0	0	0	0	0
Training payments	4,203,100	0	4,203,100	0	4,203,100
Hospitality supplies and services	8,329,342	0	8,329,342	0	8,329,342
Insurance costs	1,656,483	0	1,656,483	0	1,656,483
Specialized materials and services	0	0	0	0	0
Other operating payments	63,421	0	63,421	0	63,421
Routine maintenance – vehicles and other transport equipment	7,611,585	0	7,611,585	0	7,611,585
Routine maintenance- other assets	208,740	0	208,740	0	208,740
Exchange rate losses/gains (net)	0	0	0	0	0
Total	56,936,564		56,936,564	0	56,936,564

Notes to the Financial Statements (Continued)

4. Acquisition of Non-Financial Assets

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of vehicles & other transport equipment	61,242,425	0	61,242,425	0	61,242,425
Purchase of office furniture & general equipment	9,841,000	0	9,841,000	0	9,841,000
Purchase of ICT equipment	7,553,000	0	7,553,000	0	7,553,000
Total	<u>78,636,425</u>	=	<u>78,636,425</u>	=	<u>78,636,425</u>

Notes to the Financial Statements (Continued)

5. Cash And Cash equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank accounts (Note 5A)	73,312,842	0
Cash in hand ()	0	0
Cash equivalents (short-term deposits) ()	0	0
Total	<u>73,312,842</u>	<u>-</u>

The Project has one number project account at the Head quarter as listed below and no foreign currency designated account is managed by the Water Resources Authority:

5. A Bank Accounts

Project Bank Accounts

Details	FY2023/2024	FY2022/2023
	Kshs	Kshs
<u>Local Currency Accounts</u>		
Sidian bank Account no. 01003710001257	73,312,842	0
Total local currency balances	0	0
Total bank account balances	73,312,842	0

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as of 30th June 2024 are not included in the Statement of Financial Assets since the line items are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule, which shows the flow of funds voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Description	FY 2023/2024	FY 2022/2023
	Euros	Euros
(i) A/C Name [A/c No...1000622989...]		
Opening balance	-	-
Total amount deposited in the account	3,484,499	-
Total amount withdrawn (as per Statement of Receipts & Payments)	1,333,328	-
Closing balance (as per SDA bank account reconciliation attached)	<u>2,151,171</u>	

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13. Annexes

Annex 1: Variance explanations - Comparative Budget and Actual Amounts for Current FY

Receipts/Payments Item	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Proceeds from domestic and foreign grants	550,000,000	208,885,831	341,114,169	37.98	Delay in approval of consultancies by the World Bank resulted into low uptake of funds.
Miscellaneous receipts	0	0	-	0.00	
Total Receipts	550,000,000	208,885,831	341,114,169	37.98	
Payments			-		
Purchase of goods and services	442,200,000	56,936,564	385,263,436	12.88	Delay in approval of consultancies by the World Bank resulted into low uptake of funds.
Acquisition of non-financial assets	107,800,000	78,636,425	29,163,575	72.95	This was as a result of savings on purchase of Motor vehicles.
Other grants and transfers		0	-	0.00	
Total Payments	550,000,000	135,572,989	414,427,011	24.65	
Surplus or Deficit	-	73,312,842			

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Annex 2: Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2023/2024	Donations in form of assets (KShs) 2023/2024	*Purchases/ Additions in the Year (KShs) 2023/2024	**Disposals in the Year (KShs) 2023/2024	Transfers in/(out) Kshs 2023/2024	Closing Cost (KShs) 2023/2024
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)- (d)+(-)d
Purchase of vehicles & other transport equipment	0	0	61,242,425	0	0	61,242,425
Purchase of office furniture & general equipment	0	0	9,841,000	0	0	9,841,000
Purchase of ICT equipment	0	0	7,553,000	0	0	7,553,000
Total			78,636,425			78,636,425

Notes

* Purchases/Additions in the year reconciled to the amount in the Statement of Receipts and Payments

** The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold. The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the project. Additions during the year should tie to note 18 on acquisition of assets during the year. Ensure this section is complete covering all the entities assets. Ensure the complete fixed asset register is separately prepared as per circular number 5/2020 and follow up reminder of circular No. 23/2020 of The National Treasurer

***Horn of Africa Groundwater for Resilience Project
Annual Report and Financial Statements for the financial year ended June 30, 2024***

Annex 3: Other Support Documents

i. Bank Reconciliations statement as at 30th June 2024

ii. Special Deposit Account(s) reconciliation statement(s)

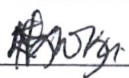

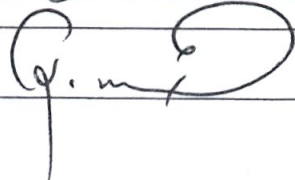
WATER RESOURCES AUTHORITY-HORN OF AFRICA

BANK RECONCILIATION STATEMENT

SIDIAN BANK

BANK ACCOUNT NO. 01003710001257

FOR THE MONTH OF JUNE 2024

		Amount	Amount
Balance as per per Bank statement			74,975,757.90
less Unpresented cheques			
KRA-VAT withholding	2% Withholding VAT standard group	1,140.00	
Standard group	Advertisement GWE	64,980.00	
KRA-VAT withholding	2% Withholding VAT ROYAL SAS	108,190.00	
KRA-VAT withholding	2% Withholding VAT ROYAL SAS	50,816.00	
Visum park Hotel	Conference facilities	825,517.00	
KRA-VAT withholding	2% Withholding VAT visum	14,483.00	
Astic enterprises	Supply of stationaries	407,403.00	
KRA-VAT withholding	2% Withholding VAT ASTIC	7,147.00	
GO-ON enterprises	ICT accessories	155,276.00	
KRA-VAT withholding	2% Withholding VAT GO On	2,724.00	
Damotech interior	Kitchen repair	25,240.00	(1,662,916.00)
Adjusted Bank statement Balance			73,312,841.90
Balance as per cash book			73,312,841.90
Prepared by		Date	05/07/24
reviewed By		Date	05/07/24
Approved By		Date	05/07/24

18 JUN 2024	Outward EFT per die m allowance Iss					
18 JUN 2024	Charges	FTC20240618EUUP UU	18 JUN 24	-15.00 /		88,373,994.90
18 JUN 2024	AC-PL52226					
18 JUN 2024	Charges	FTC20240618EUUP UU	18 JUN 24	-100.00 /		88,373,979.90
19 JUN 2024	EFT Charge					
19 JUN 2024	Inward Cheque	FTN20240619EUUV CB	19 JUN 24	-74,500.00		88,373,879.90
19 JUN 2024	Inward Cheque : 000125					
19 JUN 2024	000125					
19 JUN 2024	RTGS Charge	FT24171FHYCX	19 JUN 24	-575.00 /		88,299,379.90
19 JUN 2024	AC-01003710001257					
19 JUN 2024	Outward Telex Payment	FT24171FHYCX	19 JUN 24	-1,730,600.00		88,298,804.90
19 JUN 2024	PER DIEM ALLOWANCE					
19 JUN 2024	000136					
19 JUN 2024	RTGS Charge	FT24171WB471	19 JUN 24	-575.00 /		86,568,204.90
19 JUN 2024	AC-01003710001257					
19 JUN 2024	RTGS Payment	FT24171WB471	19 JUN 24	-2,389,700.00		86,567,629.90
19 JUN 2024	PER DIEM ALLOWANCE					
20 JUN 2024	Inward Cheque	FTN20240620EUVC UK	20 JUN 24	-51,622.00		84,177,929.90
20 JUN 2024	Inward Cheque : 000132					
20 JUN 2024	000132					
24 JUN 2024	Inward Cheque	FT2417668BP	24 JUN 24	-906.00 /		84,126,307.90
24 JUN 2024	Esลิป Pay-2020240002002435					
24 JUN 2024	000133					
25 JUN 2024	Inward Cheque	FTN20240625EUWA LG	25 JUN 24	-84,552.00 ✓		84,125,401.90
25 JUN 2024	Inward Cheque : 000127					
25 JUN 2024	000127					
26 JUN 2024	RTGS Charge	FT24178KNZJC	26 JUN 24	-575.00 /		84,040,849.90
26 JUN 2024	AC-01003710001257					
26 JUN 2024	Outward Telex Payment	FT24178KNZJC	26 JUN 24	-2,896,484.00 /		84,040,274.90
26 JUN 2024	SUPPLIES					
26 JUN 2024	000142					
26 JUN 2024	RTGS Charge	FT24178BFQ4H	26 JUN 24	-575.00 /		81,143,790.90
26 JUN 2024	AC-01003710001257					
26 JUN 2024	Outward Telex Payment	FT24178BFQ4H	26 JUN 24	-6,166,810.00 /		81,143,215.90
26 JUN 2024	SUPPLIES					
26 JUN 2024	000141					
29 JUN 2024	Tax Amount Due	01003710001257-20240	01 JUL 24	-108.00 /		74,976,405.90
29 JUN 2024	01003710001257-202406					
29 JUN 2024	Ledger Fees	01003710001257-20240	01 JUL 24	-540.00 /		74,976,297.90
29 JUN 2024	01003710001257-202406					
30 JUN 2024	CLOSING BALANCE					74,975,757.90

SPECIAL ACCOUNT STATEMENT

For period ending	30TH JUNE, 2024
Account No.	1000622989
Depository Bank	CENTRAL BANK OF KENYA
Address	CBK
Related Loan	HORN OA GROUNDWATER DAD WRA
Credit Agreement	6121-KE
Currency	EUR

Part A - Account Activity

Beginning balance of 1st July, 2023 as per C.B.K. Ledger Account	-
Add:	
Total Amount deposited by World Bank	3,484,498.72
Total Interest earnings if deposited in account	-
Total amount refunded to cover ineligible expenditure	-
Deduct:	
Total amount withdrawn	1,333,328.00
Total service charges if not included above in amount withdrawn	-
Ending balance on 30th June, 2024	2,151,170.72

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: _____

DATE _____

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: _____

DATE _____

[Handwritten Signature]
01-08-2024
[Handwritten Signature]
02-08-2024

NOTE:The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2024 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 - 4 of 4

Run Date: 09/07/2024 Run Time: 16:18:28
CENTRAL BANK OF KENYA
BANKI KUU YA KENYA
P.O. BOX 60006-0100
NAIROBI

STATEMENT OF ACCOUNT

PAGE No. 1

ACCOUNT NUMBER : 1000622989

STATEMENT PERIOD: From 01/07/2023 To

ACCOUNT TITLE : HORN OA GROUNDWATER DAD WRA
30/06/2024

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :				0.00	
NO.	Value Date	Reference.No	Details	Debit	Credit
1	03/07/2023	FT23184DBRN3	FUNDING	0.00	1,333,328.00
2	09/08/2023	FT23221DZF8R	PA 131597	-1,333,328.00	0.00
3	14/12/2023	FT233483WK6S	FUNDING	0.00	484,508.72
4	14/12/2023	FT23348WGJCR	FUNDING	0.00	1,666,662.00
					2151170.72

CLOSING BALANCE : 2151170.72

END OF ACCOUNT STATEMENT

Favourites TAM.E.STMT.OF.ACCT.EPRM

Account equals 1000622989

Statement From equals 20230701

Statement To equals 20240630

TAM.E.STMT.OF.ACCT.EPRM

More Options
Clear Selection Find

CENTRAL BANK OF KENYA

11 JUL 2024

Confirmed:.....

**HORN OF AFRICA-GROUNDWATER FOR RESILIENCE PROJECT (WRA)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2024**

Credit No.: IDA LOAN CREDIT NO.70820-KE (DA-D)

Bank Account No.: 1000622989 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EURO	AMOUNT EURO
1	Amount advanced by IDA		3,756,245.30
	Less:		
2	Total amount documented		756,245.30
3	Outstanding amount to be documented		3,000,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2024		2,151,170.72
5	Amounts claimed but not credited as at 30 June 2024		
6	Amounts withdrawn and not claimed		848,829.28
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2024		3,000,000.00

Discrepancy between total appearing on line 3 and 9

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

[Signature]

**AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY**

DATE: 02-08-2024