

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

07 DEC 2023

*Erasmus
Hon. member Bayo Ombui
Deputy majority whip
mman*

THE AUDITOR-GENERAL

ON

**NAIROBI INCLUSIVE SANITATION
IMPROVEMENT PROJECT - GRANT
NO.5600155005153**

**FOR THE YEAR ENDED
30 JUNE, 2023**

**ATHI WATER WORKS DEVELOPMENT
AGENCY**



***Nairobi Inclusive Sanitation Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023***

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1. Acronyms and Glossary of Terms

<u>ACRONYMS</u>	<u>DEFINITION</u>
ADF	African Development Fund
ADB	African Development Bank
Gok	Government of Kenya
AWWDA	Athi Water Works Development Agency
NISIP	Nairobi Inclusive Sanitation Improvement Project
IEK	Institution of Engineers of Kenya
CPA	Certified Public Accountants
MBA	Master of Business Administration
FY	Financial Year
ICT	Information and communications technology
OS	Operating safeguards
OP	Operating Policies
IPSAS	International Public Sector Accounting Standards
PSASB	Public Sector Accounting Standards Board
PFM	Public Financial Management
MDA	Ministries, Departments and Agencies.
IFMIS	Integrated financial management information systems
MSc	Master of Sciences
BSc	Bachelor of Science
NGOs	Non-Governmental Organizations
CBOs	Community Based Organizations
WRA	Water Resource Authority
NEMA	National Environment Management Authority
WRUA	Water Resources Users Association
EIA	Environmental Impact Assessment
SEIA	Social Economic Impact Assessment
EHS	Environment, Health and Safety
ESMP	Environmental and Social Management Plan
NT	National Treasury
PPRA	Public Procurement Regulatory Authority
PPADA	Public Procurement Asset Disposal Act
YWPLD	Youth Women Persons Living with Disabilities

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2. Project Information and Overall Performance

2.1 Name and registered office

Name: The project's official name is Nairobi Inclusive Sanitation Improvement Project.

Objective: The key objective of the project is to increase access to safe, sustainable and inclusive sanitation services, with improved hygiene, sewerage and faecal sludge management services for people living in deprived urban areas in Kenya.

Address: The project headquarters offices are Nairobi (City), Nairobi County, Kenya.

The address of its registered office is:
Athi Water Works Development Agency
P.O. Box 45283-00100 GPO
Athi Water Plaza,
Muthaiga North Road off Kiambu Road
NAIROBI.

Contacts: The following are the project contacts
Telephone: (254) 0202724292/3
E-mail: info@awwda.go.ke
Website: www.awwda.go.ke

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	The project start date is 15th February 2021
Project End Date:	The project end date is 31 st December 2023
Project Manager:	The project manager is Eng. Joseph Kamau
Project Sponsor:	The project sponsor is African Development Bank (AfDB)

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Water, Sanitation and Irrigation
Project number	5600155005153
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> (i) Increase access to safe, sustainable, sustainable and inclusive on-site and -off site sanitation (ii) Increase access to efficient and sustainable sewerage and faecal sludge management infrastructure and services <p>Create opportunities for increased sub sector investments</p>
Summary of Project Strategies for achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> • 102,000 households with access to Sewers; • 45,000 households with access to Ablution Blocks; • 80,000 households with access to On-site
Other important background information of the project	<p>The project is composed of 2 components:</p> <p><u>Component 1: Feasibility Studies and Engineering Design</u></p> <p>Phase 1: Preparatory and feasibility studies (socio economic, technical, financial and institutional assessments); identification and selection of options, preliminary engineering designs and costing, site identification and selection, etc.</p> <p>Phase 2: Field investigations, detailed engineering designs and</p>

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	<p>costing, cost benefit analyses, preparation of FMPs, connection strategy.</p> <p>Phase 3: Specifications, tender documentation and manuals.</p> <p><u>Component 2: Project Management and Knowledge Management activities</u></p> <p>Establishment of Project Management (PIT, PSC); planning and procurement, technical and financial management, including project reporting and liaison with AWF; capacity building; organization of stakeholder validation workshops & Investment Forum.</p>
ATHI CLUSTER BUDGET PER AGENCY PER FACILITY	
	Budget Amount
GRANT	
Bank Financing	Euros 980,767.00
GoK Counterpart VAT 16%	Euros 314,800
Areas that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <p>(i) To increase sanitation from 1,103,370 upto 2,803,211 for the urban dwellers in deprived urban, peri-urban and informal settlements in Nairobi without adequate access to sustainable and inclusive sanitation, including sewage and faecal sludge management infrastructure and services</p> <p>To create more than 300 new jobs following the implementation of the downstream investment projects. Other indirect beneficiaries are Private Sector Operators, local NGOs and CBOs</p>
Project duration	The project started on 15 th February 2021 and is expected to run until 31 st December 2023

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

- (i) Cooperative Bank of Kenya
Ridgeways Branch
NAIROBI.
- (ii) NCBA
Ciata Mall Branch
NAIROBI.

2.5 Independent Auditor

The project is audited by the:
The Office of the Auditor General,
Kenya National Audit Office,
P.O. Box 30084-00100,
NAIROBI.

2.6 Roles and Responsibilities

List the different people who are working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

Names	Title designation	Key qualification	Responsibilities
Eng. Michael M. Thuita, MBS	Chief Executive Officer	Bsc, Agricultural Engineering, IEK, EBK	Accounting Officer
Eng. Joseph Kamau	Chief Manager, Water and Sanitation Services	Bsc. Civil Engineering, Member of IEK, EBK	Project Manager/Coordinator
Eng. James Muturi	Manager- Water Works Infrastructure Development	Master degree and Bsc. Civil Engineering, Member of IEK, EBK	Project Coordinator
Keziah Adhiambo	Principal Environmental officer	Msc Environmental studies	Project environmentalist
Loise Kamau	Manager-Environment	BA Social studies	Project sociologist

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Names	Title designation	Key qualification	Responsibilities
	and Safeguards		
Dr. Christine Mawia Julius	Manager-Finance and Accounts	Doctorate, MBA, CPA-K	Project accountant
Dr. Jackson Otieno	Manager, Strategy and Performance Management	PH.D. in Economics, Master Degree and BA in economics and project planning and Management	M & E expert
Ann Gacheri	Principal Procurement Officer	MBA	Project procurement officer

2.7 Funding summary

The Project is for duration of 36 months from 15th February 2021 to 31st December 2023 with an approved budget of EUROS 980,767 equivalent to Kshs 112,641,090. The GoK counterpart is EUROS 314,800 which is equivalent to Kshs. 36,154,774 as highlighted in the table below:

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2023)		Undrawn balance to date	
	Donor currency Euro (€) (A)	Kshs (A')	Donor currency Euro (€) (B)	Kshs (B')	Donor currency € (A)-(B)	Kshs (A)-(B)
(i) Grant			£			
ADF	980,767	112,641,090	189,448	21,758,051	791,319	90,883,033
(iii) Counterpart funds						
Government of Kenya	314,800	36,154,780	674,793	77,500,000	- 359,993	- 41,345,220
Total	1,295,567	148,795,870	864,241	99,258,051	431,326	49,537,813

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2023)		Cumulative amount paid to date – (30 th June 2023)		Unutilized balance to date (30 th June 2023)	
	Donor currency (€) (A)	Kshs (A')	Donor currency (€) (B)	Kshs (B')	Donor currency (€) (A)-(B)	Kshs (A)-(B')
(i) Grant						
ADF	189,447	21,758,051	189,447	21,758,051	0	0
(ii) Counterpart funds						
Government of Kenya	674,793	77,500,000	30,312	3,481,289	644,482	74,018,711
Total	864,241	99,258,051	219,759	25,239,340	644,482	74,018,711

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

Project Name	Project Scope	Progress to date	Challenges
Feasibility Studies and Engineering Design	<p>Preparatory and feasibility studies, including socio economic, technical and institutional assessments undertaken</p> <p>Preliminary engineering designs and related financial analyses and ESIA Scoping completed</p> <p>Final engineering designs, tender documentation, ESIA's and plans completed</p> <p>Consolidated Connection Strategy developed</p>	<p>The contract is on course and has disbursed upto Euro 981,225.50 inclusive of 16% VAT</p> <p>The value of work certified and paid to date is Euro 219,759.16 equivalent to Kshs 25,239,340.00</p> <p>The consultant is on course and within the schedule, the contract is being implemented while considering value for money</p>	None

Progress for the various components

Project Name	Project Scope	Progress to date	Challenges
Component 1: Feasibility Studies and Engineering Design	Preparatory and feasibility studies, including socio economic, technical and institutional assessments undertaken	100%	None
	Preliminary engineering designs and related financial analyses and ESIA Scoping completed	100%	
	Final engineering designs, tender documentation, ESIA's and plans completed	100%	
	Consolidated Connection Strategy developed	100%	
Component 2: Project Management	Project Implementation Team (PIT) instituted	100%	None
	Detailed procurement and implementation plans approved and implemented, and project reports prepared and submitted	100%	
	Management capacity enhanced	100%	
	Validation Workshop/ Investment Forum organized.	5%	

2.9 Summary of Project Compliance:

The project performed all its scheduled activities ensuring compliance with applicable laws and regulations, and essential external financing agreements.

3. Statement of Performance against Project’s Predetermined Objectives

The overall objective of the project is to contribute to the increase access to sustainable and inclusive sewage and faecal sludge management services, and provide opportunity to improve livelihoods among the poor in urban, peri-urban and informal settlements in Nairobi County, thereby improving their health and quality of life. The specific objectives of the project include:

- a) Contribute to increased access to safe, sustainable and inclusive sewer and non-sewered household and public sanitation;
- b) Contribute to increase access to efficient and sustainable sewage and FS management infrastructure and services, including production of affordable reuse end products to maximize economic benefits;
- c) To identify business opportunities and increase sub-sector investments.

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity’s performance against predetermined objectives.

Progress on attainment of strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Consultancy services for feasibility study, detailed design, tender documentation, ESIA & connection strategy	To increase access to sustainable and inclusive sewage and faecal sludge management services and opportunity to improve livelihoods and among the poor in urban, peri-urban and informal settlements in Nairobi County, thereby improving their health and quality of life.	The project expectation is to; 1. Increased access to sustainable and inclusive FS and sewage management services in peri urban and informal settlements Increased and prioritized investments in FS and sewage management infrastructure and services	The project will contribute towards increased access to sanitation from initial 1,103,370 to 2,803,211 these is more than 100% increment	In FY 22/23 the project was able to complete the draft feasibility study report and draft connection strategy including ICE materials and typical drawings

4. Environmental and Sustainability reporting

Environmental and Social Sustainability refers to concerted efforts to mitigate against environmental degradation and social impacts. It is the maintenance of the factors and practices that contribute to the quality of the environment on a long-term basis as well acceptable social norms over the long term. It is also defined as the ethical obligation of companies/organizations to protect natural resources, reduce pollution and other forms of environmental harm.

It involves making decisions and taking actions that are in the interest of protecting the natural and social environment, with particular emphasis on preserving the capability of the environment to support human life and social wellbeing of communities.

As such, Athi Water Works Development Agency (AWWDA) a state corporation established by the Water Act 2016 under the Ministry of Water, Sanitation and Irrigation covering Nairobi City County, Kiambu County and Murang'a County.

Its key responsibility as defined by the Water Act 2016 is to;

1. Undertake the development, maintenance and management of National Public Waterworks,
2. Operate the waterworks and provide water services as a water service provider, until such a time as responsibility for the operation and management of waterworks are handed over to a county government, joint committee, authority of county government or water services provider,
3. Provide reserve capacity for purposes of providing water services where the Regulatory Board orders the transfer of water services functions from a defaulting water services provider to another licensee,
4. Provide technical services and capacity building to such county government and water providers,
5. Provide to the cabinet secretary technical support in discharging of his or her functions under the Water Act 2016.

In the performance of its mandate, the Agency is cognizant of the possible impacts (both positive and negative) resulting from interaction of the organization's activities with both physical and social environment.

It is committed to environmental conservation and protection as well as safeguarding the health and safety of workers within its premises, projects and project areas. Through the integrated Environment, Health and Safety policy statement, the organization commits to protecting the environment, preserving the health and safety of employees and communities, and ensuring safe development of water and sanitation infrastructure within the Institution's area of jurisdiction

1. Sustainability strategy and profile

In performing her mandate, Athi Water is committed to perform ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. AWWDA undertakes to conduct business in a way which will achieve sustainable growth, in line with legal and moral obligations. We aim to achieve our business objectives in a caring and responsible manner taking into account economic, social and environmental impacts.

2. Environmental performance

Introduction

AWWDA developed and operationalized the integrated workplace environment health and safety policy statement which states the organization's commitment to protect the environment, preserve the health and safety of AWWDA employees and communities, and ensure safe development of water and sanitation infrastructure. This policy statement provides a framework for developing environmental objectives, targets and programs.

The organizational service charter also includes the environmental considerations such as the enforcement of water quality monitoring.

AWWDA subjects all the new water and sanitation infrastructure projects to environmental and social impact assessment process in line with the Environmental Management and Coordination (Amendment) Act of 2015. This is done in order to identify both potential positive and negative impacts. The process allows for provision of enhancement, mitigation, restoration and compensation measures to ensure that the projects are environmentally and socially sustainable. The reports are submitted to NEMA for review and licensing and also to funding agencies (where applicable) for approval based on international standards. Some of the environmental and social impact assessment reports prepared, approved and licensed by NEMA within the financial year include:

- Proposed Motoine Trunk Sewer Improvement Project Phase II (NaRSIP II)
- Proposed reticulation sewers for Juja and Thika South area
- Proposed construction of Kabete Water Treatment Plant- Mombasa Road Trunk Distribution Main
- Proposed Construction of Kangema Town Sewerage Project
- Proposed Construction of Kigumo Town Sewerage Project
- Proposed Construction of Kangare Town Sewerage Project

AWWDA has in place an operational Environmental and social safeguards division within the Water and Sanitation department responsible for Environmental and Social compliance and Management. The team comprises of both sociologists and environmentalists. They are tasked with managing the Environmental and social aspects of the organization and community.

Pollution Prevention and Abatement

AWWDA Complies with various legislations related to prevention and abatement of pollution such as EMCA (waste management) regulations, EMCA (water quality) regulations) EMCA (noise reduction) regulations, Water Act (water rules).

Programmes are in place to ensure that all operations are in compliance with these regulations. For instance, water abstraction permitting, effluent discharge planning and licensing, and workplace certification among others. The following are some of the measures employed by the organization to mitigate pollution

- All sewerage treatment plants are designed to improve quality of final discharge into the receiving surface waters. These facilities are issued with effluent discharge permits based on effluent discharge and control plan.
- All ongoing construction projects are supervised and monitored to ensure proper implementation of project specific environmental management plans and environmental conservation.
- All motor vehicles are being regularly serviced as per manufacturer's recommendations.
- Compliance to the Occupational, Health and Safety Act, 2007
- Conformance to EMCA (Air quality regulations), 2014
- Compliance to EMCA (Noise and Vibrations pollution control), 2009
- Compliance to the national environmental Action Plan, 2009-2013
- The penal code chapter 63.

Climate Change Mitigation and adaptation

Climate change poses a significant challenge to the water sector impacting both water quality and availability. To mitigate climate change, AWWDA advocates for environmental sustainability and maintaining the natural ecosystem services of the environment. AWWDA has also liaised with various stakeholders to ensure that all projects within its jurisdiction comply with environmental legislations, regulations and Acts. The following are some of the measures taken by the Agency to mitigate climate change:

- I. Projects such as the Rehabilitation of Dandora sewerage treatment plant is aimed at improving efficiency by reducing the amount of GHG emission into the atmosphere. Efforts are also being directed towards exploring the possibility of trapping methane gas generated from the sewerage treatment plants for energy use.
- II. Oloitoktok Water Supply project is another project that aims at mitigating climate change by utilizing solar energy in its day to day operations, therefore complying with the renewable energy Act, 2019.
- III. AWWDA is also implementing large and medium dams to provide water storage thereby providing adaptation measures to water scarcity resulting from climate change.
- IV. Water conservation through the use of water storage tanks- The organization has donated plenty of water tanks to community projects and schools.
- V. Waste water reuse and recycling-This involves treating of waste water and directing it to rivers. Community members are able to use the water for various purposes such as irrigation.
- VI. Flood management- Projects such as NCT have been constructed to collect flood water. Therefore, increasing the availability and quantity of clean drinking water.
- VII. Tree planting- The agency has carried out various tree planting exercises as a climate change adaption measure to act as carbon sinks.

Promoting Environmental protection and conservation through partnerships with stakeholders

Kenya has experienced prolonged droughts and as a result, livestock, nature and biodiversity loss has been witnessed to a higher magnitude as compared to other decades. In response to this, the government has initiated a national tree planting and restoration campaign to raise the forest cover by 2032.

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AWWDA in association with other stakeholders such as County governments, community members, WRA, NEMA, WRUA, NGOs, private sector, local administrations etc have teamed up to carry out afforestation activities within its area of jurisdiction.

The following are the tree planting exercises carried out within the FY 2022-2023.

- I. Karimenu II Dam Phase I, II & III Tree Planting Drive conducted at the project site on June 2022, 2nd December 2022 and 28th April 2023
- II. Restoration of Sasumua Water Catchment Tree Planting Campaign
- III. Ministry of Water, Sanitation and Irrigation National Tree Planting and Restoration Campaign conducted at Lamu County on 25th April 2023
- IV. Ministry of Water, Sanitation and Irrigation National Tree Planting and Restoration Campaign conducted in Nakuru, Itare Dam Water Catchment on 15th June 2023

Table 1: Tree planting exercise FY 2022-2023

S/NO	PROJECT	NO. OF TREES	AFFORESTATION AREA	STAKEHOLDERS
I.	Karimenu II Project	3600	Within the project. Borrow pits A, B and Quarry A Borrow pits C and Coffee factory Site	AWWDA, Stanbic Bank, Judiciary, Rodi Kenya, RUJWASCO and community.
II.	Sasumua Water Catchment	10,000	Catchment Area	AWWDA, Nairobi and Murang'a water, Central Rift Water Works Agency and community
III.	Lamu Sandunes in Lamu County	1,000	Catchment Area	AWWDA Ministry of water and Irrigation, Lamu County, Coast Water and Sewerage Company and Water Trust Fund and community
IV.	Nakuru, Itare Dam Water Catchment	1,000	Catchment area	AWWDA Ministry of Water and Irrigation, county government and water service providers and community

Social economic activities

Socio-economic impact assessment

It is the systematic analysis used during EIA to identify and evaluate the potential socio-economic and cultural impacts of a proposed development on the lives and circumstances of people, their families and their communities. If such potential impacts are significant and adverse, SEIA can assist the developer, and other parties to the EIA process, find ways to reduce, remove or prevent these impacts from happening. It also contributes to the ongoing management of social issues throughout the whole project development cycle, from conception to post-closure.

AWWDA focuses on social impact assessment to enhance the benefits of projects to impacted communities. This is also necessary for the project to earn its 'social license to operate'.

Enhancing benefits covers a range of issues, including: modifying project infrastructure to ensure it can also service local community needs; providing social investment funding to support local social sustainable development and community visioning processes to establish strategic community development plans; a genuine commitment to maximizing opportunities for local content (i.e. jobs for local people and local procurement) by removing barriers to entry to make it possible for local enterprises to supply goods and services; and by providing training and support to local people.

Where people's assets and properties are affected, AWWDA ensures that there is prior and informed consent from the project affected persons; that there is prompt and adequate compensation for any loss; and where people are resettled to enable a project to proceed, the Agency ensures that their post-resettlement livelihoods are restored and enhanced.

Other social sustainability activities include:

- i. Stakeholder engagement and public participation
- ii. Livelihood restoration
- iii. Community benefits/ projects
- iv. Economic development through initiatives such as ablution blocks that are handed over to CBOs

Environmental monitoring and reporting

AWWDA has established various mechanisms of tracking the performance of Environment, Health and Safety (EHS) for the various projects under implementation. Project implementation units are at the forefront of ensuring compliance to EHS. Monthly/quarterly and annual reports, site inspections, EHS monthly meetings, EHS committees and audits form part of EHS monitoring and reporting.

i. EHS committees, inspections and audits

The environment and social safeguard unit has established an EHS committee for each project whose main objective is to carry out routine inspections on specific sites with a view to check the contractor's level of EHS compliance. This includes conformity to Occupational Health and Safety guidelines and the Environmental Management and Coordination (Amendment) Act of 2015. The EHS committee also carries out periodic environmental audits which inform the contractor on his level of compliance and the improvements that need to be done in order to maintain a safe workplace and promote environmental and social sustainability of the project.

The EHS Committees also hold monthly EHS meetings on site. These meetings are informed by the cumulative inspections carried out during that month. The output of the meetings is a monthly EHS performance and monitoring report that enables AWWDA to keep track of the project's EHS performance.

ii. Environmental and social sustainability management systems

AWWDA aims at managing the various environmental and social aspects associated with different projects under implementation by developing and implementing project specific management and monitoring plans.

iii. Environmental and Social Management Plans

An Environmental and Social Management Plan (ESMP) provides the remedial measures to be taken, the responsible person(s) for execution, and the monitoring activities to be undertaken during the construction, operational and decommissioning phases.

An indication of the timing for implementation and the cost involved is also provided. It is a practical and achievable plan of management to ensure that any environmental impacts during the design, planning and construction phase are minimized. All contractors working with AWWDA submits an ESMP for their respective projects to AWWDA for review. AWWDA ensures that the ESMP is implemented at each phase of the project in order to minimize harmful occurrences to the environment, community members and the employees.

iv. Health and Safety Management Plans

In accordance with the requirements of the Occupational Safety and Health Act 2007, a Health and Safety Management Plan (HESMP) is prepared for each project being implemented by AWWDA. The objective of a HESMP is to establish safe working practices and standards, which are employed on site and to detail the organizational requirements and obligations of the contractor.

v. Grievance redress mechanism

AWWDA recognizes the need for a Grievance Redress mechanism (GRM) throughout the project implementation period to identify disputes in good time and allow for them to be resolved in a transparent and accountable manner. Compensation based disputes are issues likely to occur during and after project implementation period, hence the need for GRM system.

The need for a GRM is obligated by the Land Act 2012 which recognizes the right of the affected persons to refer their disputes to the Land and Environment Court, while the Land Policy advocates for negotiation, mediation and arbitration to reduce the number of cases that end up in the court system and delayed justice. Similarly, project financing institutions guidelines and policies also call for appropriate and accessible grievance handling mechanisms for project affected persons.

vi. Gender Mainstreaming

Gender mainstreaming involves the integration of gender perspective into the preparation, design, implementation, monitoring and evaluation of policies, regulatory measures and programmes, with a view to promoting equality between women and men, and combating discrimination.

AWWDA and its many projects have both male and female employees. The organization has identified the following measures to enhance gender mainstreaming

- Both male and female employees are involved in decision making
- Equal access to and utilisation of services
- Use of gender sensitive information
- Equal treatment is integrated for both men and women is practised

vii. Prevention of gender-based violence

AWWDA is integrating GBV trainings within the work sites to ensure that cases of sexual harassment and sexual exploitation and abuse within the work places are mitigated against. AWWDA has a GBV committee

which is championing this together with a number of consultants who undertake sensitization activities. This will ensure that cases of sexual harassment are reported and that women/men will not fear reporting such cases due to fear of victimization.

Conclusion

AWWDA is committed to Environmental Conservation and safeguard of the Health and Safety of employees as well as communities within the organization's areas of operation. The Agency continuously works towards compliance with the national laws as well as international best practices relevant to the environmental and social safeguards to ensure sustainability.

3. Employee welfare

The project management is by AWWDA staff and therefore the entity's employee welfare policies and guidelines apply as detailed below:

AWWDA has developed an approved Human Resource Instruments in which one of the guidelines is a comprehensive Human Resource Policy and Procedures Manual which is the primary document in the management of the Human Resources at the Agency. The document contains provisions for managing the entire scope of Human Resource Management and Development cycle.

It generally guides the implementation of the policies and decision making at various levels within the Agency on matters human capital. The policy provision covers the entire recruitment process, pay and benefits, employee relations, performance management, training & development and the health and safety issues. In consideration of the affirmative actions, the policy addresses issues related to gender balance, persons with disability and consideration of the marginalized communities in all aspects of human resources dynamics.

Under the career development, AWWDA has a comprehensive career progression document that outlines employee succession plans including requirements for internal promotions and the external engagements where talents may be required within its establishment. This is an instrument that outlines job descriptions for each cadre of employee. Together with the annual departmental workplans and the Government's performance contracting tool enables employees set their targets and eventually evaluated through annual appraisals. The evaluation enables employees of the Agency to be upskilled, helped or otherwise redeployed and upscaled.

The Agency also recognizes and commits itself to the achievement of the highest standards of health and safety in the workplace, and the elimination or minimization of health and safety hazards and risks that may affect its employees. In this regard, it implements policies and programmes that assure their protection from such hazards and disasters. The policies and programmes are implemented in compliance with the provisions of Occupational Safety and Health Act, 2007 and other Labour Laws.

4. Market place practices-

AWWDA has ensured that responsible competition practices within the Agency are practised by promoting ethical behaviour, transparency, and compliance with relevant laws and regulations i.e., PPADA ACT 2015 and its Attendant Regulations, Multilateral and Bilateral Rules and Procedures governing Procurement of Goods Works and Services, The Executive Orders and Circulars issued from time to time by the NT, and Regulator PPRA. To address issues like anti-corruption, responsible political involvement, fair competition, and respect for competitors, the Agency has implemented several key measures

a) Responsible Supply chain and supplier relations-

Client and Employer alliance is key towards delivery of projects, AWWDA has overtime honoured contracts and respected payment practices as a good business practice and treating suppliers responsibly as an essential aspect of building strong, sustainable, and ethical business relationships: Some of the practices include:

1. **Contract Negotiation:** The Agency engages in fair and transparent contract negotiations with its suppliers with a view of having a win-win position. Contracts clearly outline the terms and conditions, including the scope of work, pricing, delivery schedules, quality requirements, and any other relevant details that favour and are sustainable to both parties.
2. **Compliance with Contract Terms:** Once contracts are entered into, the Agency adheres to the agreed-upon terms. This includes fulfilling its obligations on timely payments by ensuring prompt and timely payment to suppliers, consultants and contractors to maintain a good relationship. Delays in payments can cause financial strain on these service providers, impacting their ability to implement projects efficiently.
3. **Clear Payment Policies:** In compliance with the Agency's service charter, there are clear payment policies that specify payment terms, methods, and timelines which are agreed upon during contract negotiations.
4. **Automated Payment Systems:** The agency has Implemented automated payment systems ERP that streamline the payment process, reducing the chances of errors and delays.
5. **Communication and Transparency:** Maintaining open and transparent communication with suppliers. If any payment delays are anticipated, the organization informs the suppliers in advance and works together to find a mutually acceptable solution.
6. **Early Payment Programs:** The agency offers early advance payments to suppliers who may benefit from faster access to funds upon the provision of an advance payment guarantee. YWPLD are major beneficiaries to this program as part of mainstreaming in public procurement.
7. **Supplier Diversity and Inclusion:** The agency practices supplier diversity and inclusion by providing opportunities to small and minority-owned businesses. (YAGPO Groups) by allocating 30% of its procurement budget annually.
8. **Supplier Performance Evaluation:** Regularly evaluating supplier performance to ensure that they meet the agreed-upon standards. Feedback on performance helps suppliers improve their processes, ultimately benefiting both parties.

9. Conflict Resolution Mechanism: The agency has in place a conflict resolution mechanism to address any disputes or disagreements with suppliers and contractors promptly and fairly.

10. By implementing these measures, the Agency has created a strong foundation for responsible competition practices, fostering trust among stakeholders and contributing to a sustainable and ethical business environment.

b) Responsible ethical practices

To address issues like anti-corruption, responsible political involvement, fair competition, and respect for competition, the Agency has implemented several key measures:

1. Code of Conduct and Ethics: The Agency has established a comprehensive code of conduct that clearly outlines the expected behaviour of all staff in the institution and for Supply Chain Management staff the practising license issued by KISM explicitly prohibits corrupt practices, bribery, and unethical behaviour and ensures compliance by all stakeholders. The license also ensures that the supply chain staff are in good standing prior to renewal.

2. Compliance Reports: The Agency Prepares statutory compliance reports to the Various Regulatory Bodies i.e., PPRA, NT, and EACC and reports all the awarded contracts through the PPIP Portal (Public Procurement and Information Portal) which is accessible by the public with disclosures of Beneficial Ownership Information for all awarded contracts.

3. Anti-Corruption Policies: The Agency implements policies to prevent corruption, such as anti-bribery and anti-money laundering policies. These programs include training on anti-corruption measures and responsible political involvement which is a continuous exercise.

4. Fair Competition Practices: The Agency promotes fair competition and adheres to antitrust laws to prevent monopolistic behaviour, price-fixing, bid-rigging, or other practices that harm competition by issuing Requests for Quotations to multiple suppliers in its registered list. For large complex and large contracts, competition is promoted through open competitive bidding for both National and International bidders based on the threshold.

5. Internal Controls and Audits: The Agency implements internal controls and conducts regular Internal Audits, External Audits and ISO audits to monitor compliance with policies and identify any potential violations. Observations and recommendations from these audits are implemented to improve and ensure best practices within internal processes.

c) Regulatory impact assessment

AWWDA has ensured that responsible engagement with its stakeholders is practised within the Agency as well as with our external stakeholders by promoting transparency and compliance with relevant laws and regulations through various measures as follows:

1. Supplier Appraisals and Sensitization Workshops: The Agency conducts annual Sensitization workshops and due diligence on suppliers and business partners to ensure that they adhere to responsible business practices these safeguards both parties' interests as it keeps the public informed on the programs and projects undertaken by the Agency as well as the expectation of the potential suppliers in order to qualify for the available opportunities.
2. Training and Awareness on the PPADA ACT 2015 and Ethics: For the purpose of keeping staff, Board Members and Suppliers informed of the most recent ethical standards, compliance requirements and best practices, the Agency undertakes training and awareness on PPADA Act and ethical and integrity practices.
3. Implementation of a Robust Service Charter - that attends to the needs of both internal and external customers prudently to avert any delays in responses to queries and clarifications that may arise during the bidding period for procurement of goods, works and services by the Agency thus ensuring its stakeholders are properly informed at all times.
4. Clear and Comprehensive Advertisements - The Agency places its adverts for opportunities in the print media and its websites as well as the Public Procurement website (www.tenders.go.ke) which are based on accurate and verifiable information about the projects being implemented by the Agency, this is line with provisions of section 74 of the PPAD Act and its attendant regulations. The Adverts are also detailed and clearly indicate the contact details for purposes of clarification and the mode of submission of tenders by specifying whether the submission shall be done electronically or manually. Adverts relating to preference and reservations scheme state that such tenders are reserved specifically for small and micro enterprises and for disadvantaged groups registered with the National Treasury or regions, as appropriate. By publishing most opportunities this enhances competition and ensures value for money in the procurement processes.
5. Disclosure of Awarded Contracts in the PPIP (Public Procurement Information Portal)
The Public Procurement Information Portal is an online platform provided by Public Procurement Regulatory Authority (PPRA) for publication of contract awards and tender notices by Procuring Entities. This enhances transparency and accountability to Stakeholders.

By following these principles and practices, AWWDA has built trust with their target audience, demonstrated ethical conduct, and contributed to a more responsible and sustainable marketing and advertising landscape through the advertisement of all tender opportunities either in the print media, website or its social media platforms hence safeguarding citizen and stakeholder's rights through regular and comprehensive engagements.

5. Community Engagements

There were no specific community engagement related activities undertaken through this project during the year because stakeholder workshops are expected to take place upon the completion of the study.

5. Statement of Project Management responsibilities

The Chief Executive Officer Athi Water Works Development Agency (AWWDA) and the Project Coordinator for Nairobi Inclusive Improvement Project 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 and as at the end of the financial year ended on June 30, 2023.

This responsibility includes: (i) maintaining adequate financial management arrangement 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 (vi) making accounting estimates that are reasonable in the circumstances.

The Chief Executive Officer AWWDA and the Project Coordinator for Nairobi Inclusive Improvement Project 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.

The Chief Executive Officer AWWDA and the Project Coordinator for Nairobi Inclusive Improvement Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial period ended June 30, 2023, and of the Project's financial position as at that date. The Chief Executive Officer AWWDA and the Project Coordinator for Nairobi Inclusive Improvement Project 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 as well as the adequacy of the systems of internal financial control.

The Chief Executive Officer AWWDA and the Project Coordinator for Nairobi Inclusive Improvement Project 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 period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the Chief Executive Officer Athi Water Works Development Agency and the Project Coordinator for Nairobi Inclusive Improvement Project on 31st August 2023 and signed by.



Chief Executive Officer
Name: Eng. Michael M. Thuita, MBS



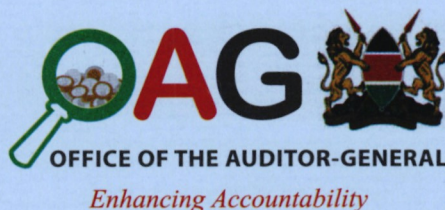
Project Manager
Eng. Joseph Kamau



Manager, Finance & Accounts
CPA, Dr. Christine Mawia
ICPAK Member Number: 6458

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NAIROBI INCLUSIVE SANITATION IMPROVEMENT PROJECT - GRANT NO.5600155005153 FOR THE YEAR ENDED 30 JUNE, 2023 – ATHI WATER WORKS DEVELOPMENT AGENCY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Nairobi Inclusive Sanitation Improvement Project - Grant No.5600155005153 set out on pages 1 to 19, which comprise of the statement of financial assets as at 30 June, 2023, and the statement of

Report of the Auditor-General on Nairobi Inclusive Sanitation Improvement Project - Grant No.5600155005153 for the year ended 30 June, 2023 – Athi Water Works Development Agency

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 Nairobi Inclusive Sanitation Improvement Project Grant ADB No.5600155005153 as at 30 June, 2023, 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 the African Water Facility Special Fund Grant Agreement No.5600155005153 dated 30 July, 2020 between the African Development Bank and the Republic of Kenya and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Nairobi Inclusive Sanitation Improvement Project - Grant No.5600155005153 Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final budget and actual receipts on comparable basis of Kshs.98,500,000 and Kshs.77,500,000 respectively, resulting to an underfunding of Kshs.21,000,000 or 21% of the budget. Similarly, the Project spent Kshs.3,481,289 against an approved budget of Kshs.98,500,000 resulting to an under-expenditure of Kshs.95,018,711 or 96% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the provisions of the African Water Facility Special Fund Grant Agreement No.5600155005153 dated 30 July, 2020 between the African Development Bank and the Republic of Kenya, I report based on my audit, that:

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements agree with the accounting records and returns.

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 Public Sector Accounting Standards (Cash 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project 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 financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 November, 2023

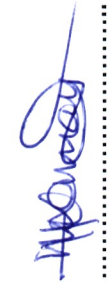
**Nairobi Inclusive Sanitation Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023**

7. Statement of Receipts and Payments for the year ended 30th June 2023.

Note	Receipts and payments controlled by the entity		Payments made by third parties		Receipts and payments controlled by the entity		Payments made by third parties		Cumulative to-date (From inception)	
	2022-2023	Total	2021-2022	Total	2021-2022	Total	2021-2022	Total	2021-2022	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts										
Transfer from Government entities	27,500,000		27,500,000		50,000,000		50,000,000		77,500,000	
Proceeds from domestic and foreign grants	-		-		-		21,758,051		21,758,051	
Loan from external development partners	-		-		-		-		-	
Miscellaneous receipts	-		-		-		-		-	
Total receipts	27,500,000		27,500,000		50,000,000		21,758,051		99,258,051	
Payments										
Compensation to employees	-		-		-		-		-	
Purchase of goods and services	3,481,289		3,481,289		-		21,758,051		25,239,340	
Social security benefits	-		-		-		-		-	
Acquisition of non-financial assets	-		-		-		-		-	
Transfers to other government entities	-		-		-		-		-	
Other grants and transfers /payments	-		-		-		-		-	
Total payments	3,481,289		3,481,289		-		21,758,051		25,239,340	
Surplus/ (deficit)	24,018,711		24,018,711		50,000,000		50,000,000		74,018,711	

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.


.....
Chief Executive Officer


.....
Project Manager


.....
Manager, Finance & Accounts

Name: Eng. Michael M. Thuita, MBS

Eng. Joseph Kamau

CPA, Dr. Christine Mawia,
ICPAK Member No:6458

*Nairobi Inclusive Sanitation Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

8. Statement of Financial Assets as at 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	11.A	74,018,711	50,000,000
Cash Balances	11. B		-
Cash equivalents (Short-term deposits)	11.C		-
Total Cash and Cash equivalents		74,018,711	50,000,000
Imprests and Advances	12		-
Total Financial Assets		74,018,711	50,000,000
Financial Liabilities			
Deposits and Retention monies	13		-
Net Assets			-
Represented By			
Fund Balance B/fwd.	14	50,000,000	-
Prior Year adjustments	15		-
Surplus/(Deficit) for the Year		24,018,711	50,000,000
Net Financial Position		74,018,711	50,000,000

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 31st August 2023 and signed by:



Chief Executive Officer
Name: Eng. Michael M. Thuita, MBS



Project Manager
Eng. Joseph Kamau



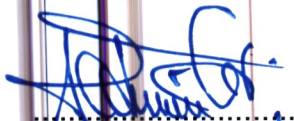
Manager, Finance & Accounts
Project Accountant
ICPAK Member No:6458

*Nairobi Inclusive Sanitation Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

9. Statement of Cashflow for the year ended 30th June 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Transfer from government entities	1	27,500,000	50,000,000
Proceeds from domestic and foreign grants	2		21,758,051
Miscellaneous receipts	4		-
Total receipts		27,500,000	71,758,051
Payments			
Compensation of employees	5	-	-
Purchase of goods and services	6	3,481,289	21,758,051
Social security benefits	7	-	-
Transfers to other government entities	9	-	-
Other grants and transfers	10	-	-
Total Payments		3,481,289	21,758,051
Adjustments during the year			
Prior year adjustments	15	-	-
Decrease/(increase) in accounts receivable	16	-	-
Increase/(decrease) in accounts payable:	17	-	-
Net cash flow from operating activities		24,018,711	50,000,000
Cashflow from investing activities			
Acquisition of non-financial assets	8		-
Net cash flows from investing activities		-	-
Cash flow from financing activities			
Proceeds from foreign borrowings	3		-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalent at beginning of the year	11	50,000,000	-
Cash and cash equivalent at end of the year	11	74,018,711	50,000,000

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 31st August 2023 and signed by:



Chief Executive Officer
Eng. Michael M. Thuita, MBS



Project Manager
Eng. Joseph Kamau




Manager, Finance & Accounts
Project Accountant
ICPAK Member No:6458

*Nairobi Inclusive Sanitation Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

10. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2023

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Transfer from Government entities	70,000,000	- 42,500,000	27,500,000		-	100%
Proceeds from domestic and foreign grants	21,000,000		21,000,000		21,000,000	0%
Proceeds from borrowings						-
Miscellaneous receipts						-
Fund Balance B/F		50,000,000	50,000,000			-
Total Receipts	91,000,000	7,500,000	98,500,000		21,000,000	79%
Payments						
Compensation to employees						-
Purchase of goods and services	91,000,000	7,500,000	98,500,000		95,018,711	4%
Social security benefits						-
Acquisition of non-financial assets						-
Transfers to other government entities						-
Other grants and transfers						-
Total Payments	91,000,000	7,500,000	98,500,000		3,481,289	4%
Surplus or Deficit					74,018,711	

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.


.....
Chief Executive Officer

Name: Eng. Michael M. Thuita, MBS


.....
Project Manager

Eng. Joseph Kamau


.....

Manager, Finance & Accounts
CPA, Dr. Christine Mawia
ICPAK Member No:6458

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 Nairobi Inclusive Sanitation Improvement Project under Athi Water Works Development Agency. The financial statements are for the reporting entity as required by Section 81 of the PFM Act, 2012 .

c) Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling.

d) Recognition of receipts

The Project recognises all receipts from the various sources when the event occurs, and the related cash has been received.

i) Transfers from the Exchequer

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

ii) External Assistance

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

Significant Accounting Policies (continued)

iii) Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements at the time 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 a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction 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 reporting date as 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. An analysis of the Project's undrawn external assistance is shown in the funding summary.

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 and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

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

Significant Accounting Policies (continued)

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)

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

v) Acquisition of fixed assets

The payment on 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 receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

In-kind contributions are donations that are 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.

Significant Accounting Policies (continued)

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.

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. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

Significant Accounting Policies (Continued)

k) Contingent Assets

Athi Water Works Development Agency does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of AWWDA 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 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 the 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 recognised 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, 2023.

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). There were no prior period adjustments on the financial statements for the period ended June 30, 2023.

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12. Notes to the Financial Statements

1. Transfers from Government entities

These represent counterpart funding and other receipts from government as follows:

Description	2022-2023	2021-2022	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
<i>Counterpart funding through Ministry of Water, Sanitation and Irrigation</i>			
Counterpart funds Quarter 1	17,500,000	12,500,000	30,000,000
Counterpart funds Quarter 2	-	12,500,000	12,500,000
Counterpart funds Quarter 3	-	12,500,000	12,500,000
Counterpart funds Quarter 4	10,000,000	12,500,000	22,500,000
Total (See Annex 3)	27,500,000	50,000,000	77,500,000
<i>Other transfers from government entities</i>			
Appropriations-in-Aid	-	-	-
Total	<u>27,500,000</u>	<u>50,000,000</u>	<u>77,500,000</u>

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Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2023, we received grants from donors as detailed in the table below:

Name of Donor	2022-2023						2021-2022		Cumulative to date
	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount		
			Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)	-	-	-	-	-	-	-	-	-
African Development Bank	Various	-	-	-	-	-	21,758,051	21,758,051	
Grants Received from Multilateral Donors (International Organizations)		-	-	-	-	-	-	-	-
Insert name of international organization	-	-	-	-	-	-	-	-	-
Grants Received from Local Individuals and organizations	-	-	-	-	-	-	-	-	-
Insert name of individual or local organization	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	21,758,051	21,758,051	21,758,051

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Notes to the Financial Statements (Continued)

3. Loan from External Development Partners

During the financial period to 30 June 2023, AWWDA did not receive any funding from development partners in form of loans.

4. Miscellaneous receipts

The project did not have any miscellaneous receipts during the reporting period

5. Compensation to Employees

The project is implemented by AWWDA staff and therefore no staff compensation was drawn from the proceeds of the grants

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Notes to the Financial Statements (Continued)

6. Purchase of Goods and Services

The purpose of the grant is to finance a study for future investments and the disbursements during the year were:

Description	2022-2023			2021-2022	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	3,481,289	-	3,481,289	21,758,051	25,239,340
Communication, supplies and services	-	-	-	-	-
Domestic travel and subsistence	-	-	-	-	-
Foreign travel and subsistence	-	-	-	-	-
Printing, advertising, and information supplies	-	-	-	-	-
Rentals of produced assets	-	-	-	-	-
Training payments	-	-	-	-	-
Hospitality supplies and services	-	-	-	-	-
Insurance costs	-	-	-	-	-
Specialized materials and services	-	-	-	-	-
Other operating payments	-	-	-	-	-
Routine maintenance – vehicles and other transport equipment	-	-	-	-	-
Routine maintenance- other assets	-	-	-	-	-
Exchange rate losses/gains (net)	-	-	-	-	-
Total	3,481,289	-	3,481,289	21,758,051	25,239,340

Notes to the Financial Statements (Continued)

7. Social Security Benefits

There was no social security benefit cost relating to the project in the reporting period

8. Acquisition of Non-Financial Assets

There was no acquisition of Non-Financial Assets for the project in the reporting period since this is a study.

9. Transfers to other Government Entities

During the financial period to 30 June 2023, there were no transfers of funds made to other Agencies: *(We have confirmed that the beneficiary institutions have received the funds and have recorded these as inter-entity receipts. We have attached these duly signed confirmations as an Appendix to the financial statements).*

10. Other Grants, Transfers and Payments

The project did not make transfers to any other entity in the period under review

11. Cash And Cash equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank accounts (Note 11A)	-	50,000,000
Cash in hand (Note 11B)	-	-
Cash equivalents (short-term deposits) (Note 11C)	74,018,711	-
Total	74,018,711	50,000,000

The reported cash balances comprise of GoK contribution to the project and is managed through AWWDA's development fund account. To enhance accountability, fund accountability is maintained for each project whose funds are managed through the same account. The project does not have a foreign currency account because the donor component is disbursed wholly as direct payments, however towards the end of the financial year a project account was opened.

11. A Bank Accounts

Project Bank Accounts

Details	2022-2023	2021-2022
	Kshs	Kshs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	0	0
Total Foreign Currency balances	0	0
<u>Local Currency Accounts</u>		
Co-operative Bank of Kenya [A/c No 01141084618501]	0	50,000,000
Total local currency balances	0	0
Total bank account balances	0	50,000,000

The project funds are all held in the development fund account held at Co-operative bank of Kenya and to enhance accountability for the specific GoK contribution to the project a fund accountability statement has been maintained by the project

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The project does not have a special deposit account since all payments are done as direct payments.

11 B Cash in hand

There was no cash in hand relating to the project as at 30th June 2023

11 C Cash equivalents (short-term deposits)

Description	2022-2023	2021-2022
	Kshs	Kshs
Co-Operative Bank of Kenya [A/c No01150084618512]	74,018,711	-
Total	74,018,711	-

12. Imprests and Advances

There were no account receivables relating to the project as at 30th June 2023

12A: Breakdown of Imprests and Advances

There were no surrendered imprests or other advances relating to the project as at 30th June 2023

13. Deposits and Retention Monies

There were no deposits and retention monies related to the project as at 30th June 2023

14. Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank accounts	50,000,000	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Deposits and retention	-	-
Total	50,000,000	-

Notes to the Financial Statements (Continued)

15. Prior Year adjustment

The project did not have any prior year adjustment during the 2022/2023

16. Changes in Imprests and Advances

There was no change in receivables as the project had no receivables

17. Changes in Accounts Deposits and Retention

There was no change in payables as the project didn't have any payables

Other Important Disclosures

1. Pending Accounts Payable (See Annex 4a)

The project did not have any account payables

2. Pending Staff Payables (See Annex 4b)

The project did not have any payables relating to staff costs

3. Other Pending Payables (See Annex 4c)

The project did not have any other account payables

4. External Assistance

During the year under review, the project did not get any external assistance

5. Payments By Third Party on Behalf of The Project

The project did not have any third-party payments

6. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The comprise of related parties to the Project

- i) Key management personnel including the program director/manager
- ii) The implementing entity/ministry/ department
- iii) Other Ministries and Departments.
- iv) The National Treasury

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Other Important Disclosures (Continued)

Related party transactions:

	2022-2023	2021-2022
	Kshs	Kshs
Compensation to Key Management		
Compensation to the program manager/ director	-	-
Key Management Compensation others (specify)	-	-
Total Compensation to Key Management	-	-
Transfers to related parties		
Transfers to other government entities	-	-
Total Transfers to related parties	-	-
Transfers from related parties		
Transfers from the Ministry/ department	27,500,000	50,000,000
Payments made on behalf of the project by other govt. entities	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	27,500,000	50,000,000

7. Contingent Liabilities

The project did not have any contingent liabilities as at 30th June 2023

Nairobi Inclusive Sanitation Improvement Project

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13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>Other Matter: Budgetary Control and Performance</p>	<p>The statement of Comparison of Budget and actual amounts for the year ended June 2022 reflects a total budget receipt of Kshs 120,000,000 and actual receipts of Kshs 71,758,051 resulting to a budget shortfall of Kshs 48,241,949</p> <p>Further to the statement reflects a total budget expenditure of Kshs 120,000,000 and actual payment of Kshs 21,758,051 resulting to under expenditure of Kshs 98,241,949</p> <p>In addition, the approved budget of the project for the year under review was not provided for audit review. As a result, the source of the balances reflected in the statement of comparison of budget and actual amounts could not be confirmed.</p> <p>In the circumstances, the shortfall and under-absorption of the approved budget is an indication of activities not implemented by the project Management leading to non-provision of services to the stakeholders. Further, the legality of the financial transactions of the project during the year under review could not be ascertained.</p>	<p>The non absorptions had been caused by the consultant not attaining the required milestones. In the year 2022-23 all the milestones had been achieved but there was no adequate budget to pay any of the invoices raised. The project has now been allocated adequate budget in the 2023-24 and all the invoices has since been submitted for payment</p>	<p>Resolved</p>	<p>31st December 2023</p>



 Chief Executive Officer

Eng. Michael M. Thuita, MBS



 Project Manager

Eng. Joseph Kamau

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Annex 2: Variance explanations - Comparative Budget and Actual amounts for Current 2022 – 2023

	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					
Transfer from Government entities	27,500,000	27,500,000	-	100%	Within Budget
Proceeds from domestic and foreign grants	21,000,000	-	21,000,000	0%	The invoices raised was for a higher amount and therefore the invoices could not be processed
Proceeds from borrowings	-	-	-	0%	
Miscellaneous receipts	-	-	-	0%	
Fund Balance B/F	50,000,000	50,000,000	-	100%	Within Budget
Total Receipts	98,500,000	77,500,000	21,000,000	79%	
Payments					
Compensation of employees	-	-	-	-	
Purchase of goods and services	98,500,000	3,481,289	95,018,711	4%	The budgetary allocation was not enough to process any of the invoices
Social security benefits	-	-	-	-	
Acquisition of non-financial assets	-	-	-	-	
Transfers to other government entities	-	-	-	-	
Other grants and transfers	-	-	-	-	
Total payments	98,500,000	3,481,289	95,018,711	4%	
Surplus or Deficit	-	74,018,711	- 74,018,711		

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Annex 3: Reconciliation of inter-entity transfers

Project Name:			
Break down of transfers from the State Department of 2023			
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
a. Government Counterpart funding			
		17,500,000	2022-2023
		-	
		-	
		10,000,000	2022-2023
	Total	27,500,000	
B. Direct payments			
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		-	
	Total	-	
C. Others			
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		-	
	Total	-	
	Total (A+B+C)	27,500,000	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department

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Annex 4a: Analysis of Pending Bills

Contracts	Date Contracted/Invoiced	Additions for the period	Amount Paid To-Date	Outstanding Balance 2022 - 2023	Outstanding Balance 2021-2022	Comments
		a	b	c=a-b		
Supply of services						
Consultancy Services for Feasibility Study, detailed design, tender documentation, ESIA & Connections Strategy for Nairobi Inclusive Sanitation Improvement Project	1-Dec-22	69,500,005	3,481,289	66,018,716	-	The project did not have adequate budget to enable processing of the payments

Annex 4b: Analysis of Pending: Staff Bills

The project did not have any pending staff bills because the project team comprises AWWDA staff and all their costs are paid by the institution

Annex 4c: Analysis of other Pending Payables

The project did not have any other pending payable

Annex 5: Summary of Fixed Assets Register

No non-financial assets were acquired under the project

Annex 6: Contingent Liabilities Register

There were no contingent liabilities related to the project

Annex 7: Reporting of Climate Relevant Expenditures

This project is a study and no expenditure related to climate related activities

Nairobi Inclusive Sanitation Improvement Project

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Annex 7: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Project Expenditures				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Catchment protection around the Karimenu II Dam	Tree planting Within the project. Borrow pits A, B and Quarry A	Catchment protection	Planted 3,600 trees		3,393,170.00			AWWDA, Stanbic Bank, Judiciary, Rodi Kenya and RUJWASCO community	
Tree planting around the Sasumua Dam	Borrow pits C and Coffee factory Site Contribution to the 15 billion tree planting government initiative	Forest cover restoration	Tree planting		50,000			AWWDA	
Tree planting in Lamu County	Contribution to the 15 billion tree planting government initiative	Forest cover restoration	Tree planting			100,000		AWWDA Ministry of water and Irrigation, Lamu County, Coast Water and Sewerage Company and Water Trust Fund and community	
Tree planting with Itare Dam area	Contribution to the 15 billion tree planting government initiative	Forest cover restoration	Tree planting			100,000		AWWDA Ministry of Water and Irrigation, county government and water service providers and community	
Supply and delivery of branded plastic water tanks to schools		Enhancement of roof catchment	Supply and delivery of branded 6000L tanks to schools around the AWWDA's area	1,081,000.23				AWWDA	

Annex 8: Reporting Disaster Management Expenditure

The project did not incur any disaster related expenditure

Annex 9: Other Support Documents

- i. Bank Reconciliations statement as at 30th June 2023
- ii. Board of Survey Report