

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

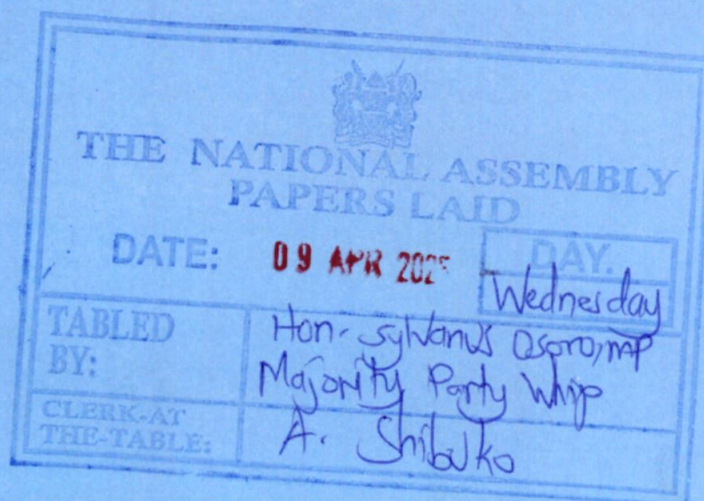
**THE AUDITOR-GENERAL**

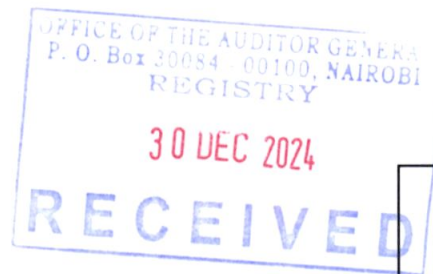
**ON**

**WATER RESOURCES AUTHORITY**

**FOR THE YEAR ENDED**

**30 JUNE, 2024**





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WATER RESOURCES AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30<sup>TH</sup> JUNE 2024

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

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## **1. Acronyms and Definition of Key terms**

### **(a) Acronyms**

CEO	Chief Executive Officer
WRA	Water Resources Authority.
KWSCRIP	Kenya Water Security and Climate Resilience Project
TWENDE	Towards ending Drought emergencies
LAWASCO	Lamu Water and Sanitation Company
GCA	Ground Water Conservation Area.
ICPAK	Institute of Certified Public Accountants of Kenya
SDG	Sustainable development Goals.
A-I-A	Appropriation in Aid
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SCMP	Sub Catchment Management Plans
SC	State Corporations
WB	World Bank
WRUAs	Water Resources Users Associations

### **(b) Definition of Key of Terms**

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

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

## **2. Key Entity Information and Management**

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

Water Resources Management Authority was established pursuant to the provision of Section 7 of the Water Act, 2002, Laws of Kenya and was operationalized in July 2005. The Authority's principal mandate under this legislation was the management of water resources in the whole Country.

A new statutory regime necessitated by the need to conform to the Constitution of Kenya 2010, international instruments that Kenya has ratified by virtue of Article 2(6) of the Constitution as well as Vision 2030 and the Sustainable Development Goals (SDG's); legislation of the Water Act, 2016 was accordingly initiated. The Water Act, 2016 was passed into law on 14<sup>th</sup> September, 2016 and came into operation on 21<sup>st</sup> April, 2017. This effected a change of the Authority's name from Water Resources Management Authority to Water Resources Authority.

The Water Resources Authority (WRA) is established under Section 11 of the Water Act, 2016 and is mandated, on behalf of the National Government to regulate the management and use of water resources across the Country.

Our approach as an Authority in safe guarding the resource is entrenched in the Vision 2030 strategic objective on water and sanitation and the SDG 6 all these agenda's and objectives aim not only to increase water resources availability for multipurpose use but also improve the quality and sustainability of water resources.

Water Resources Authority operates through the Regional Offices established in the six Basins, namely: Athi, Ewaso Ngiro, Lake Victoria South, Lake Victoria North, Rift Valley and Tana Catchment Areas. The Catchment Areas have been gazetted as Basin Areas for purposes of compliance with the provisions of the Water Act, 2016. In addition, the Authority has delineated the six Basins into 26 Sub-basins which operate as sub-regional offices. The Authority partners/collaborates with key stakeholders in integrated water resource management activities to deliver its mandate to the public.

**(b) Principal Activities**

The principal mandate of the Authority is to regulate the management and use of water resources on behalf of the National Government.

**Vision**

To be a global leader in Water Resources Regulation and Management

**Mission**

To effectively regulate and manage water resources for sustainable development

**Strategic Objectives**

1. Strengthening monitoring networks to enhance data collection and improve information management system.
2. Improving the use of water resources management tools for effective water resources planning and allocation
3. Strengthen stakeholder collaboration to enhance water storage and adaptation to climate change impact
4. Strengthen enforcement mechanism and collaboration for effective catchment protection and conservation
5. Building staff capacity and improving work environment
6. Enhance Resources mobilization and effective use of finance.

**(c) Key Management**

The entity's day-to-day management is under the following key organs:

No.	Designation	Name
1.	Board of directors	Mr. Donald Murgor Mr. Hassan Baricha Mr. Jared Ogwae Mekenya Mr. Augustine Kenduiywo Ms. Lydia Boke Eng. Unicore Simon Ng'anga Mr. Joshua Musyoka Rose Nyakwana Mr. James Sitienei Mr. Samwel Mwati
2.	Chief Executive Officer	-Mohammed M. Shurie, OGW
3	Manager Corporate Services	-Mr James Mburu
4.	Manager Water Resources Assessment & Monitoring	-Mr. John M. Kinyanjui
5	Manager Legal Services	-Janet Olewe
6	Ag. Assistant Manager supply chain management	-Samuel Mutuku

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	-Mohammed M. Shurie, OGW
2.	Manager Corporate Services	-Mr James Mburu
3.	Manager Water Resources Assessment & Monitoring	-Mr. John M. Kinyanjui
4	Manager Legal Services	-Janet Olewe
5	Ag. Assistant Manager supply chain management	-Samuel Mutuku

**(e) Fiduciary Oversight Arrangements**

**(i) Management Board**

The powers and functions of the Authority are exercised and performed under the direction of the Management Board which consists of a Chairman appointed by the President, five independent Directors and four members appointed by the Cabinet Secretary responsible for matters relating to water and representatives from various oversight offices, namely:

- a). The Principal Secretary responsible for matters relating to finance or his representative;
- b). The Principal Secretary responsible for matters relating to water or his representative;
- c). The Principal Secretary responsible for matters relating to environment or his representative;
- d). The Principal Secretary responsible for matters relating to land or his representative

Section 15(1) of the State Corporations Act Cap. 446 gives Board of Directors the responsibility for management of the affairs of State Corporations. In this regard the Board is accountable for the moneys, financial business and the management of the Authority.

Under the Water Act, 2016, the Board's functions are to:

- a). Administer the assets of the Authority in such manner as best promotes the purpose for which the Authority is established;
- b). Ensure protection, where necessary, of the assets and developments of the Authority;
- c). Determine the provisions to be made for capital and recurrent expenditure and for the reserves of the Authority;
- d). Receive any grants, gifts, donations or endowments and make legitimate disbursements there from;
- e). Invest any funds of the Authority not immediately required for its purposes;
- f). Delegate any of its powers; and
- g). Undertake any activity necessary for the fulfillment of any of the functions of the Authority.

**(ii) Board Committees**

**Finance and Support Services Committee**

The Committee reviews quarterly financial, human resource and procurement reports and recommends to the Board ways of raising and utilizing the Authority's funds and human resources and the establishment of systems and procedures for efficient financial management.

The Committee advises the Board on Water Resources Authority's human resource policies and guidelines which include the scheme of establishment and career progression and terms and conditions of service for the staff of the Authority.

**Resource Mobilisation Committee.**

Resource Mobilisation Committee is charged with the responsibility of providing strategic directions as to funding of the Authority's activities and advice to the Board on the Authority's revenue and fund raising, activities and forecasting the same in line with the statutory mandate.

**Technical Committee**

This Committee reviews and makes recommendations to the Board on compliance and enforcement policies. The Committee also advises on legislative issues and other measures for the regulation of water resources management.

**Audit Committee**

Final management reports are submitted to the board audit and Risk committee having been verified by the Authority's head of Internal Audit.

The scope of this Committee includes risk management, as well as compliance with the regulatory requirements. The Audit Committee broadly oversees the Authority's standards of integrity and behaviour, reporting of financial information and internal control systems.

**(iii) Ministry of Water and Sanitation**

Every year the Authority submits an annual report on the state of national water resources strategies in Kenya. The water situation report and performance report is disseminated to the public for purposes of their information and feedback.

Quarterly and Annual management reports submitted to the Ministry of Water and Sanitation for review and approval of the budgetary requirements before presentation to the parliamentary investment committee of environment and natural resources.

**(iv) Parliamentary investment committee and Parliamentary committee on environment, and natural resources.**

Budget proposals and implementation reports are reviewed by the parliamentary committee for environment and natural resources. The final financial reports are submitted to the parliamentary investment committee to ensure value for money and adherence to Government financial regulations and procedures.

**Key Entity Information and Management (continued)**

(f) Entity Headquarters

Water Resources Authority  
NHIF Building, 4th, 9th & 10th Floors.  
Ragati Road  
P. O. Box 45250-00100  
Nairobi, Kenya

(g) Entity Contacts

Tel. 2732291, 2729048/49  
E-mail: [info@wra.go.ke](mailto:info@wra.go.ke)  
Website: [www.wra.go.ke](http://www.wra.go.ke)  
Twitter: @WRA\_Kenya

(h) WRA Bankers

1. National Bank of Kenya  
Hill Branch  
P.O. Box 45219-00100  
Nairobi, Kenya
2. Kenya Commercial Bank  
Moi Avenue Branch  
P.O. Box 48400 - 00100  
Nairobi, Kenya
3. Equity Bank  
Community Branch  
P.O. Box 75104-00100  
Nairobi, Kenya
4. Sidian Bank  
Kenyatta Avenue Branch  
P.O. Box 25363-00603  
Nairobi, Kenya

(i) Independent Auditors

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

**(j) Principal Legal Adviser**

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




Advocates:

1. Prof. Albert Mumma & Company Advocates  
5<sup>th</sup> avenue office suites  
5<sup>th</sup> floor suite no. 1  
5<sup>th</sup> Ngong Avenue  
P.O Box 10481 – 00100  
Nairobi, Kenya
  
2. Garane & Associates Advocates  
P.O Box 20617-00100  
Nairobi  
Hughes Building  
4<sup>th</sup> Floor Kenyatta Avenue  
0205100194/2631541  
Info@garaneadvocates.com




**3. Board of Directors**

 <p>Mr. Donald K. Murgor        Master of Business Administration, BA        Economics and Sociology</p>	<p>Chairman of Water Resources Authority Board of Management. He is an astute Business Administrator with over 27 years of experience spearheading business growth by streamlining key operations at Central bank of Kenya and the National Treasury.</p> <p><b>DOB:</b> 15<sup>th</sup> February, 1968</p> <p><b>Period:</b> 1<sup>st</sup> September 2023 to Date</p>
 <p><b>Mr. Hassan Baricha</b>        Mr. Hassan Ahamednur Baricha        Human Resources Professional</p>	<p><b>Chairperson, and an Independent Director Board Finance and Support Services Committee</b></p> <p>Mr. Baricha is a Human Resources professional, with experience in strategically driving organizational performance Implementing Human Resource strategies that create a working culture and emphasizes superior performance, Human Capital Development, Quality, Productivity and Goal Attainment.</p> <p><b>DOB: 01<sup>st</sup> January, 1973</b></p>
 <p>Mr. Jared Ongwae Mekenye  <b>Medical laboratory professional</b></p>	<p><b>Chairperson, and an Independent Director Board Resource Mobilization Committee</b></p> <p>Mr. Ongwae is a medical laboratory professional, a medical researcher, an entrepreneur, a strategic leader, a political advisor, a philanthropist, community development enthusiast, youth advocate, mentor and coach and currently the Chief Laboratory Technologist at Kisii University school of health science</p> <p><b>DOB:14<sup>th</sup> -September-1976</b></p>



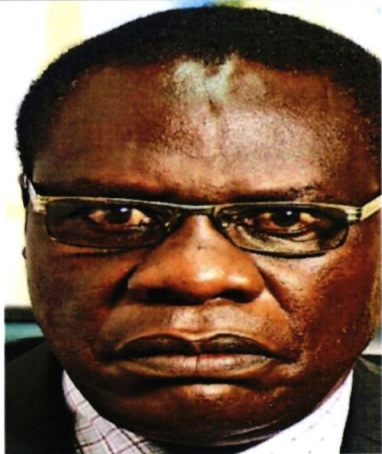
	<p>P.S. Representative, Ministry of Environment Climate Change and Forestry.</p>
<p>Augustine K. Kenduiwo          BSc. Agriculture and Masters Degree in Environmental Planning and Management</p>	<p>Mr. Kenduiwo is a Deputy Director Climate Change in the Ministry of Environment Climate Change and Forestry. A career Civil servant with over 33 years' experience in the fields of Agriculture and Environmental Stewardship within the Public Sector.</p>
	<p><b>Chairperson, and an Independent Director Board Audit and Risk Committee</b></p>
<p>Ms. Lydia Boke Marwa  <b>Environmental Expert</b></p>	<p>Ms. Boke has over 10 years of experience in carrying out and supervising Environmental and Social Impact Assessments (ESIA), Strategic Environmental and Social Assessment (SESA) and Environmental and social Audits (ESA) for various projects.</p>
	<p><b>Chairperson, and an Independent Director Board Technical Services Committee</b></p>
<p>Eng. Unicore Simon Ng'ang'a</p>	<p>Eng. Unicore is an astute businessman of over 11 years experience.</p>
	<p><b>DOB : 17<sup>th</sup> May,1983</b></p>

 <p><b>Mr. Joshua Musyoka</b></p> <p>B.A in Economics with IT and a master's student in M.A Economics</p>	<p>CS. Representative, the National Treasury</p> <p>Mr. Musyoka is an Economist with over 12 years' experience in the public Sector and public finance management. Currently he is a Senior Economist with the Intergovernmental Fiscal Relations Department of the National Treasury and is the Head of Policy and Legislation Unit of the Department.</p> <p><b>DOB: 29<sup>th</sup> October, 1984</b></p>
 <p><b>Rose Nyakwana</b></p> <p>Bachelor of Laws Degree (LL.B) and a Post-Graduate Diploma from the Kenya School of Law, Certified Mediator.</p>	<p>P.S. Representative State Department of Water</p> <p>Rose is a state counsel with over 12 years' experience in public sector.</p> <p><b>DOB: 25<sup>th</sup> March, 1970</b></p>
 <p><b>James Sitiency</b></p>	<p>Representative Inspector General of State Corporations Mr Siteinei is a career Administrator specifically bringing in oversight roles of Inspector General of state corporations.</p> <p><b>DOB: 26<sup>th</sup> December 1966</b></p>

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 <p><b>Mr. Samuel M. Mwati</b> Masters degree in Public Policy and Administration, Bachelor of Arts</p>	<p>P.S. Representative, Ministry of lands and Physical Planning.</p> <p>Mr. Mwati is a career Administrator with over 30 years' extensive experience in administration and management within the Public Sector.</p> <p>DOB: 1969</p>
 <p>Mr. Mohamed Moulid Shurie OGW BSC Phy/Math, BSC Geology, MBA Executive</p>	<p>Chief Executive Officer and an <i>ex officio</i> member of the Board.</p> <p>DOB: 8<sup>th</sup> December, 1962</p>
 <p>Mrs. Janet Olewe-Ochieng' Bachelor of Laws Degree (LL.B) and a Post-Graduate Diploma from the Kenya School of Law.</p>	<p>Manager legal services /Corporation Secretary</p> <p>An advocate of the High Court of Kenya with 11 years' experience in the practice of law.</p>

4. Key Management Team

 <p>Mr. Mohamed M. Shurie, OGW              BSC Phy/Math, BSC Geology, MBA              Executive,</p>	<p>Chief Executive Officer</p>
 <p>James Mburu              Msc-Finance, B.com, CPA-K and CIA</p>	<p>Manager Corporate Services.</p>
 <p>Mr. John Kinyanjui              Bsc. Geology</p>	<p>Manager Water Resources Assessment              &amp; Monitoring.</p>



Mrs. Janet Olewe-Ochieng'

Bachelor of Laws Degree (LL.B) and a Post-Graduate Diploma from the Kenya School of Law.

Manager Legal Services/Company Secretary

An advocate of the High Court of Kenya with 11 years' experience in the practice of law.

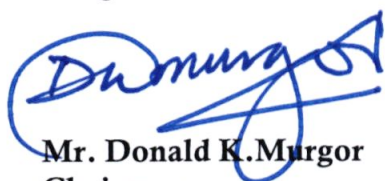
## **5 Chairman's Statement**

The Financial Year 2023-2024 has been an eventful year with countless achievements amidst a number of challenges. One of the Authority's greatest challenge is inadequate revenue. Following the publication and coming into operation of the Water Resources Regulations, 2021, (the Regulations), three Constitutional Petitions were filed in different courts seeking to suspend implementation of the water use charges prescribed in the Regulations. In one of the cases where WRA had been sued alongside the Cabinet Secretary, Ministry of Water, Sanitation & Irrigation, Hon. Attorney General, WASREB and the National Assembly of Kenya (case number HCCHR Pet No. E108 Of 2023 – Kenya Water And Sanitation Civil Society Network & Others Vs WRA & Others), orders were issued on 5th June 2023 staying the implementation of the water use charges set out in Part B of the Second Schedule of the Water Resources Regulations, 2021 and also temporary injunction restraining WRA from levying, enforcing and/or implementing the water use charges set out in Part B of the Second Schedule of the Water Resources Regulations, 2021. As a result of the court orders, WRA did not invoice/bill.

During the year implementation of Horn of Africa Groundwater for resilience project was commenced. To further enhance the Authority's resource mobilization efforts, the board continues to reinforce the Partnerships and Resource Mobilization Division by ensuring capacity support of personnel and optimization of projects

- The Authority's visibility was further enhanced among various stakeholder engagements which focusing on Noncompliance with permitting conditions; Dam safety regulations and Ground water sustainability.
- The board has also been at the forefront in supporting the Authority's initiatives in championing Water Resources Information Management System. With this initiative, the data which is transmitted on real time basis enables prompt decision making among various water users.

My board hereby pledges to support more initiatives to towards ensuring sustainability of surface and ground water.



**Mr. Donald K. Murgor**  
**Chairman,**  
**WRA, Management Board.**

## **6. Report of the Chief Executive Officer**

The Water Resources Authority as a regulator has remained resilient despite a myriad of challenges threatening its survival. The COVID 19 onset greatly affected revenue collection owed to the automation gaps the Authority had thereby hampering digital revenue collection which was the modus operandi then. Subsequently, this brought about the development of the E-permit system which is an online platform for the application and processing of water use permits. WRA has also onboarded all customer facing services on the E-citizen platform where the public can access WRA services online thereby enhancing efficiency.

With the challenge of non-collection of water use fees as a result of the court injunction, the Authority has enhanced visibility of its other services which include among others, permit renewals, data requests, assessments, and analysis. To further promote the WRA mandate, the Authority has been roll out a campaign to promote compliance with water regulations leading to significant revenue increase and awareness creation on permit conditions compliance.

As an effort to further boost revenue, the Authority has secured funding towards implementing the following projects:

1. Horn of Africa Groundwater for resilience project – WorldBank
2. Towards Ending Drought Emergencies (TWEENDE) – GCF Funded through the Ministry of Agriculture & Livestock
3. Coast Water Security & Climate Resilience Project – Mwache Dam Catchment Conservation - WorldBank

The Authority has also developed solid waste management guidelines for the Country as well as established 756 WRUAs out of the optimal 1237 in the country to enhance participatory water resources management.

As an Authority, we are about to launch the WRA Strategic Plan 2023-2027 which chart the course of regulation of the management and use of water resources in the country for the next 5 years.

It requires approximately Kshs.30 Billion out of which we can only raise Kshs.17.3 Billion through our internally generated initiatives. Subsequently, the next financial year will call for concerted efforts in increasing partnerships so as to surpass the 12.7 Billion deficit envisaged as well as generate more funds to support other activities to guarantee available water quality and quantity.

**i. Revenue**

The Authority put in place measures to ensure financial sustainability in its operations. The allocations received from the exchequer have been low over the years. This has put pressure on the Authority to improve on revenue collection.

During the period ended 30<sup>th</sup> June 2024 the Authority was able to collect cumulatively KSHS 595 million as internally generated funds (AIA). A setback in realization of set targets was a court case which issued an injunction to the implementation of the Water Resources Regulations 2021 as from April 2023. But the Management intends to intensify efforts and improve on the level of revenue collections in future in order to reduce the current financing gap.

**ii. Expenses**

The Authority's expenses were cumulatively Kshs. 1,617,628,561 in comparison to available funds of Kshs. 1,192,627,748 the authority operated on a Kshs (425,000,813) deficit.

**iii. Innovation**

One of the commendable achievements of FY 2023-2024 is the reengineering of business processes. The Authority earmarked and reengineered three business process to enhance Service delivery to its strategic constituencies. The identified processes which include: The Processes which include Revenue management; Water use data collection and Billing process have made service delivery to our customers seamless and thoroughly efficient thereby enhancing revenue

**iii. Education and awareness creation**

One of the core functions of the Authority is to create awareness about its mandate to strategic publics. This is done by engaging several stakeholders in diverse sectors of the economy, undertaking awareness activities, and meeting the general public. The following activities were undertaken during the FY 2023/2024:

- Finalized the gazettement process of Lamu groundwater entailing review of land ownership entitlements with a view to conserve Lamu sand dunes catchments.
- Stakeholders engagement for Gazettement of Manguo Wetland
- Subcatchment Management Plan Review and Implementation for Onkaru WRUA
- Undertaken engagements with Drilling contractors to regularize sustainable ground water abstraction

**iv. Partnerships**

Through the period under review the Authority had the following development partners who continued supporting its mandate:

- World Bank
- Green Climate Fund (GCF)

**v. Employee relations**

The Human Resource component in Water Resources Authority continues to play a critical role in the achievement of the organizational goals as stipulated in the Strategic Plan.

The Authority believes in the best skills for best performance. It has therefore continuously improved staff development. During the period under review a number of staff undertook different training mainly with the support of development partners

**vi. Commitment to quality**

The Authority is committed to the continual improvement of Quality Management System (QMS) processes and has transitioned from ISO 9001: 2008 to ISO 9001: 2015.

**Conclusion**

I wish to appreciate the Chairman and the Management Board for their support throughout this period. I am also grateful to our parent Ministry of Water, Sanitation and Irrigation, our development partners and all our stakeholders for their unwavering trust, support and partnership towards the execution of the Authority's mandate. And to the staff and management, I am indeed honored to be a part of the Water Resources Authority team. The Authority has continued to undertake this mandate and achieved remarkable results despite a number of challenges faced. I believe that with your continued support and commitment, we shall be able to deliver our services more efficiently and effectively to impact more people in respect to water resources and environmental management services.



.....

**Mohamed M. Shurie, OGW**  
**CHIEF EXECUTIVE OFFICER**

## 7. Statement of Performance against Predetermined Objectives for FY2023-2024.

Water Resources Authority has 6 strategic issues within the current Strategic Plan for the FY 2023/24 - FY 2027/28. These strategic issues are as follows:

Strategic Issue 1: Water Resources Information Gathering and management

Strategic Issue 2: Compliance with Water Resources Laws and Regulations

Strategic Issue 3: Water Resources Users Associations (WRUA), County Government & Stakeholder Partnerships

Strategic Issue 4: Climate Change Mitigation

Strategic Issue 5: Institutional Capacity & Digitalization of Government Services

Strategic Issue 6: Sustainable Resource Mobilization & Partnerships for the Water Resources Authority

WRA develops its annual work plans based on the above 6 Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Authority achieved its performance targets set for the FY 2023-2024 period for its 6 strategic issues, as indicated in the table below:

Strategic Issue	Key Result Area	Strategic Objective	Key Activities	Achievement
1). Water Resources information gathering and management	Optimum water resources monitoring (SW,GW,WQ) network	To operationalize and maintain Water Resources information gathering and management system	Rehabilitation/ maintenance of SW monitoring stations	A total of 107 stations were rehabilitated and maintained for continuous data transmission as follows: 27No. Regular Gauging Stations were rehabilitated while 80No. Telemetric stations were maintained with Internet of Things (IoT) postpaid Safaricom as follows: 38No. AWL and 42No. AWS)
			Drilling of Exploratory Boreholes	3 exploratory and monitoring wells drilled in Mukothima, Loonkitok, and Kipketi. In addition, 17 hydrogeological surveys carried out across the country (Wamunyu, Shuur, Ngaremara, Mukothima, Loonkitok, Danyere, Rahole, Sankuri, Nunow, Balambala, Kasha, Sigale, Hirbae, Esampukike, Esoit, and 2 in Kuto.
2). Compliance to Water resources Laws and Regulations	Compliance to Water Resources Regulations.	To Strengthen Water planning allocation and compliance to regulation	Improve compliance to regulation of water use by increasing the volume of water abstracted under permit	The total volume of water abstracted was 250,095.21. Annual allocation were as follows, Lake Victoria North 18,940.56, Lake Victoria South 1,467.15, Rift Valley 55,322.51Athi 24,164.60, Tana 142,239.71 and Ewaso Ngiro North 7,960.64 m <sup>3</sup> /day
			Carry out Water quality monitoring and pollution and enforcement	During the year under review, water quality monitoring was carried out in all the six basin areas for each quarter. Overall, 249 stations were monitored in Q1, 454 in Q2, 215 in Q3

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				and 233 in Q4. The stations monitored were for surface water, groundwater and effluent.
			Undertake water quality assessment in LaKshs in Kenya	Water quality assessment was carried out in Lake Victoria, Baringo, Naivasha and Turkana.
			Riparian Land protected and conserved	228.09 km of riparian have been marked and pegged across the basin areas. (ABA 144.35; LVNBA 64.60; LVSBA 4.74; ENNBA 3.63; TANA 2.47; RVBA 8.30)
	To improve the protection and conservation of water catchment areas		Develop GCA Management guidelines	Management guideline reviewed, current status of GCA compiled and 23,000 trees planted within the GCA
			Undertake Protection of Springs	8No. Springs protected. Boka, kwa mukonza and Mbulitini funded by TWENDE project in the Kyulu hills landscape and 2No. By Endao WRUA. 3 No springs protected by Narosura WRUA and WSTF ( i.e kibalbei, chesikari and Kapkilyai)
			Reclaim and conserve riparian areas	228.09 km of riparian have been marked and pegged which is 104% of the target. (ABA 144.35; LVNBA 64.60; LVSBA 4.74; ENNBA 3.63; TANA 2.47; RVBA 8.30)
			Undertake tree growing initiatives	A total of 454,267 No. trees were planted across the basin areas against a target of 21,000. This was achieved through collaboration with the WRUAs and presidential tree planting campaigns which saw two days declared public holidays for National tree planting.
			Undertake water pollution Risk Assessments in flood areas	Water quality assessment was carried out in Lake Victoria, Baringo, Naivasha
			Review and Implement 6 Basin Water Resources Management plans	During the year under review, water quality monitoring was carried out in all the six basin areas for each quarter. Overall, 249 stations were monitored in Q1, 454 in Q2, 215 in Q3 and 233 in Q4. The stations monitored were for surface water, groundwater and effluent.

			Undertake Development /review of Sub Catchment Management Plans (SCMPs)	11 No. SCMPs developed supported by Stakeholders. Losesia WRUA, and Embobut WRUA in Elgeyo Marakwet with the support of World Vision, South Horr WRUA in Samburu County with support from Smaburu Couty and UNICEF and Olorte Loita in Narok County with the support of WWF. Awach Nyangori, Kibos, Mogusii santa and Nyakomisaro Riana WRUAs with support of Kisumu Water and Sanitation Company & World Wide Fund, Kisima WRUA, Wundanyi, Meruweshi by USAID STAWI,
			Implement SCMP activities	9No. RWHT installed in public institutions. Ie Kapnyeberai Girls High School, Songoliet Primary school, Cheptingting primary school, Karrlel primary school and Kogamei primary schools in Nandi County and Illula Albinisn Centre-Eldoret & Mindiliwo special school-Iten supported by WRA.
			Installation of Rain Water harvesting Tanks.	9No. RWHT installed in public institutions. Ie Kapnyeberai Girls High School, Songoliet Primary school, Cheptingting primary school, Karrlel primary school and Kogamei primary schools in Nandi County and Illula Albinisn Centre-Eldoret & Mindiliwo special school-Iten supported by WRA.
3). Climate Change	Climate change resilience and adaptation	To mainstream climate change mitigation & adaptation into WRA interventions.	Inspection of Water storage infrastructures; Establish high-risk dam monitoring network for real-time,	Inspection of 6No. High risk dams as well as other. Other 25No. additional high risk dams were inspected. Other 16No. medium risk dams were also inspected. As a result of the inspections, dam owners applied for water permit renewals where by 13No. permits renewals were processed.
4). WRUA, County and stakeholder partnerships	Increased collaboration and partnerships in water resource management	To enhance WRUA, County and stakeholder Partnerships in Water Regulation	Identify and form new WRUAs	5No. WRUAs formed (South Horr, Losesia WRUAs in Samburu County and Tondonyang in Turkana county, Ngunini Mui WRUA in Tiva/Tyaa that was supported by Inades Kenya and Mtito Andei WRUA supported by STAWI USAID
			Train WRUAs on conflict management	10 WRUAs were trained on conflict management, Mwachiga, Mwangomegani, Mwadudua, Gudendambale, Mulunguni, Mrengamulunguni,, Gombo Boman, Mkulumuzdi, Chepligwon, Mbagathi

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	and regulation	and management.	Enforce compliance of WRUAs to regulations	42 WRUAs are compliant. Onkaru, Kirichwa, Gatharaini, Mbagathi, Ruai, Cheronget, Nyando, Awach Seme, Awach Nyangori, Nyakomisaro Riana, Lower Oyani, Isei, Mumias, Chepligwon, Waso Rongai, Oraitmutia, Kisima, Lower Ewaso Narok, Teleswani, Nanyuki, Thiririka, Kiu, Mwadudua, Nyongoni, Marenje Mlunguni, Mwangombe Ngooni, Upper Mwache, Mwachiga, Chigulu Ngeyeni, Mazola Mienzeni, Gude Dambale, Mkulumuzdi, Magombe Shariani, Gombo Bomani, Birikani, Lower Sabaki, Timboni Mjana Heri, Mbuguni, Kagumo, Thika Mid, Durwaya Shantaabaq
			Undertake WRUA training on sustainable livelihood improvement and value chains/ addition processes	14 WRUAs were trained. Losesia WRUA, and Embobut WRUA in Elgeyo Marakwet with the support of World Vision, South Horr WRUA in Samburu County with support from Smaburu Couty and UNICEF and Olorte Loita in Narok County with the support of WWF. Awach Nyangori, Kibos, Mogusii santa and Nyakomisaro Riana WRUAs with support of Kisumu Water and Sanitation Company & World Wide Fund, Kisima WRUA, Wundanyi, Meruweshi by USAID STAWI,
			Undertake training of WRUAs on climate change interventions and adaptation measures	14 WRUAs were trained. Losesia WRUA, and Embobut WRUA in Elgeyo Marakwet with the support of World Vision, South Horr WRUA in Samburu County with support from Smaburu Couty and UNICEF and Olorte Loita in Narok County with the support of WWF. Awach Nyangori, Kibos, Mogusii santa and Nyakomisaro Riana WRUAs with support of Kisumu Water and Sanitation Company & World Wide Fund, Kisima WRUA, Wundanyi, Meruweshi by USAID STAWI,
5). Institutional capacity, visibility, and				The productivity metrics were developed as required and the Metric data was gathered as requested. Metrics formulae were used to calculate the percentages of each metric formula. The WRA Productivity Management framework was also developed

Digital transformation of WRA services			Develop/re-view workplace productivity improvement strategy	The Authority developed a Productivity Management Framework to work in place of the productivity improvement strategy as advised by NPCC trainers
			Develop and implement Science, Technology and Innovation strategy	A Science Technology & Innovation Strategy was developed and internal staff validated the document
			Identify and address skills gaps	Letter written and sent to staff to submit back to office reports for training attended & Back to Office reports received from Officers. Training reports also received from officers. 7No positions for sub-basin area coordinators advertised internally. 1No.position for Principal ICT officer advertised internally. 5 No capacity building trainings conducted.
Enhance Resource mobilization and Partnerships for the Water Resources Authority	Enhanced Institutional capacity and digitalization of WRA		Business process re-engineering and identification for Automation	•Business process reports were prepared
			Develop and adopt information security standards and guidelines, IT service delivery frameworks, and best practices	•Socket Layer (SSL) certificate issuance was done
				• Data Controller and Data Processor Certificates
				•Cyber security awareness training to staff was conducted
Digitalization of business processes to enhance service delivery	•Workshops were held to undertake ICT readiness assessment and develop a digitalization strategy with ICTA experts •Draft digitalization strategy was developed			
6). Sustainable Resource mobilization	Enhance Resource mobilization for water	Sustainable Resource mobilization and partnerships for water	Charging water users based on the volume of water abstracted, as specified in their permits.	The Authority collected Kshs 325,506,212.30 on water use charges.

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partnerships for water resources Authority.	resources Authority.	resources Authority	Develop funding proposals,	Developed 15No. Proposals for funding
			Update the database for potential development partners Bi-annually	Updating of the database for potential development partners was done in Quarter 1

## 8. Corporate Governance Statement

### i) Management Board.

The Management Board of the Water Resources Authority established under the Water Act 2016 is made up of four members appointed by name and a Chairperson. The Board membership also comprises a representative of the Cabinet Secretary, The National Treasury as well as representatives of the respective Principal Secretaries from the Ministry of Water- Sanitation and Irrigation, Lands and Housing, Environment and Natural Resources and the Inspectorate of State Corporations. The Chief Executive Officer is an *ex officio* member of the Board.

The Directors are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the operations of the Authority is delegated to the Chief Executive Officer but the Management Board is responsible for establishing and maintaining the Authority's system of internal controls for the realization of the Authority's mandate. There is in place a Board Charter which sets out amongst areas the role and responsibilities of the Board.

All members of the Board are taken through a comprehensive induction programme and adequately trained on their roles through various corporate governance trainings. The Directors are professional, committed and guided by the mission, vision and core values of the Authority in the execution of their duties. At the end of each financial year, the Board, its Committees, individual directors and the Chief Executive Officer are evaluated by the State Corporations Advisory Committee against evaluation parameters determined by the independent government entity. The process of appointment and removal of directors is guided by the Water Act 2016

### ii). Board Committees

The Board undertakes its work through Board Committees attending to specific matters. The Committees report to and remain accountable to the Board for all their activities. The Board Committees' main function is to reinforce the wholeness of the Board's responsibility.

The Board has four standing committees which meet at least once per quarter and work under the terms of reference set by the Governing Board. The membership of all the Committees is reviewed on a regular basis by the Board.

#### a) Finance and Support Services Committee

The primary responsibility of Finance and Support Services Committee is to provide advice to the Board on Water Resources Authority's financial and human resource management, performance and their financial implications.

The Committee reviews quarterly financial, human resource and procurement reports and recommends to the Board ways of raising and utilizing the Authority's funds and human resources and the establishment of systems and procedures for efficient financial management.

The Committee advises the Board on Water Resources Authority's human resource policies and guidelines which include the scheme of establishment and career progression and terms and conditions of service for the staff of the Authority.

**b) Audit & Risk Committee**

The scope of this Committee includes risk management, as well as compliance with the regulatory requirements. The Audit Committee broadly oversees Water Resources Authority's standards of integrity and behavior, reporting of financial information and internal control systems.

**c) Resource Mobilization Committee**

The Resource Mobilization Committee is charged with the responsibility of providing strategic directions as to funding of the Authority's activities and advice to the Board on the Authority's revenue and fundraising activities and forecasting the same in line with Water Resources Authority's statutory mandate.

**d) Technical Committee**

This Committee reviews and makes recommendations to the Board on compliance and enforcement policies. The Committee also advises on legislative issues and other measures for the management of the water resources management and their implementation

**iii). Board Composition;**

During the year the board composition was as summarized as shown in the table 1 below

**Table 1 - Board Composition**

Name of Director	Board Position	Audit & Risk	Finance and Support Services	Resource Mobilization	Technical
Mr. Donald K. Murgor	Chairman				
Hassan Baricha.	Board Member			Chairperson	Member
Mr .Jared Ongwae	Board Member		Chairperson	Member	
Unicore Simon Nganga	Board Member		Member		Chairperson
Lydia Boke Marwa	Board Member	Chairperson			Member
Joshua Musyoka	CS Rep. Treasury	Member	Member	Member	
Mr. James Sitiency	Rep. IG. Insp. State Corporation	Member	Member	Member	
Rose Nyakwama	Ps.Rep.MoW	Member	Member	Member	Member
Mr. Augustine K. Kenduiwo	Ps.Rep.MoECL		Member		Member
Mr. Samuel M. Mwati	Ps.Rep.MoL	Member			Member
Mr. Mohamed M. Shurie	Ex-Officio/Chief Executive Officer				

**iv). The Role of the Management Board**

As guided by the Water Act, 2016, the State Corporations Act, Cap 446 and other relevant laws of Kenya, the Board's role is to provide effective leadership and control, in terms of approving the Authority's strategy and ensuring best practice of corporate governance.

The Board retains full and effective control over the Authority by monitoring the implementation of Board plans and strategies, review of management accounts and major capital expenditure. It reviews processes for the identification and management of risks as well as those concerning compliance with key regulatory and legal areas.

The Board also reviews the Authority's succession plans for the management team and endorses top executive appointments, organizational changes and remuneration matters. It is concerned with key elements of the governance processes, which sustain the operations of the Authority, performance reporting processes as well as other disclosure requirements.

On a quarterly basis, the Board considers reports from each Board Committee. The Board meets at least once a quarter and the calendar of meetings is prepared and adopted annually in advance.

**v). Evaluation**

The performance of the Board is a fundamental component of the Water Resources Authority's success. A corporate governance evaluation of performance for the period 2022/2023 was undertaken after the close of the financial year in order to have a formal and rigorous review of the entire Board as a collective unit and that of individual directors. The results of the evaluation were useful in putting in place a plan of action to improve effectiveness of each director and that of the Board as a collective unit.

**vi). Conflict of Interest**

No conflict of interest was recorded by the Board for the period 2023/2024.

**vii). Director's remuneration**

In accordance with guidelines provided in the State Corporations Act, the Directors are paid a taxable sitting allowance for every meeting attended, as well as travel and accommodation allowance while on the Authority's duty.

**viii). Ethics and Code of Conduct**

The Management Board has demonstrated a consistent commitment to implement all the requirements under the Leadership and Integrity Act, 2012 and the Corruption Eradication Guidelines as directed by the Ethics and Anti-Corruption Commission.

**ix). Statement of Compliance**

The Management Board confirms that the Authority has throughout the period ending 30<sup>th</sup> June 2024 complied with the Statutory and Regulatory requirements and that it has been managed in accordance with the principles of Corporate Governance.

**x). Meeting attendance**

During the financial year the management board meeting attendance is summarized by table 2 below;

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<b>Board Members</b>		<b>Full Board</b>	<b>Board Committee Meetings</b>			
			<b>Audit &amp; Risk</b>	<b>Finance and Support Services</b>	<b>Resource Mobilization</b>	<b>Technical</b>
<b>Name of Director</b>	<b>Total Number of meetings to be attended</b>	7	4	4	4	4
MR .Donald K.Murgor	7	7				
Hassan Baricha	15	7			4	4
Lydia Boke Marwa	15	7	4			4
Unicore Simon Nganga	15	7		4		4
Jared Ongwae Makenye	15	7		4	4	
Joshua Musyoka	19	7	4	4	4	
Mr. James Sitiency	19	7	4	4	4	
Rose Nyakwara	23	7	4	4	4	4
Mr. Augustine K. Kenduiwo	15	7		4		4
Mr. Samuel M. Mwati	15	7	4			4

**xi). Internal control and risk management**

**(a) Internal control Framework**

The Directors are responsible for ensuring the effectiveness of the Authority's system of internal control which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Authority continues to review its internal control framework to ensure it maintains a strong and effective internal control environment. Business processes and controls are reviewed on an on-going basis. A risk-based audit plan, which provides assurance over key business processes and operational and financial risks facing the Authority, is approved by the Audit Committee.

The Audit Committee considers significant control matters raised by management and both the internal and external auditors and reports its findings to the Board. Where weaknesses are identified, the Audit Committee ensures that management takes appropriate action.

**(b) Organization Structure**

A clear organizational structure exists, detailing lines of authority and control responsibilities. The professionalism and competence of staff is maintained both through rigorous recruitment policies and a performance appraisal system which establishes targets, reinforces accountability and awareness of controls, and identifies appropriate training requirements. Training plans are prepared and implemented to ensure that staff develop and maintain the required skills to fulfil their responsibilities, and that the Authority can meet its future management requirements.

**(c) Strategic Plan**

The business of the Authority is determined by the Strategic Plan. The Strategic Plan sets out the objectives of the Authority, and the annual targets to be met to attain those objectives. The Strategic Plan is evaluated annually to assess the achievement of those objectives. The Board on an annual basis approves the work plan supported by the financial plan for the year. Progress against the plan is monitored on a quarterly and annual basis. The Authority's 5-year Strategic Plan running from 2018-2022 was reviewed and presented to key stakeholders

**(d) Risk Management**

The Authority has a structure and process to help identify, assess and manage risks. The process was in place for the period up to the time this report was approved. The Management team reviews all the risks in the Authority and updates the risk register and ensures that all new and emerging risks are appropriately evaluated and any further actions identified. The identified risks are reported to the Audit Committee to assist the Board in the management of risk.

**(e) Management Team**

The management team headed by the Chief Executive Officer implements the Board decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the Board's objectives are achieved effectively and efficiently. The action plans for the year include the Annual Work Plan, Annual Budget Estimates, Annual Procurement Plan, Annual Performance Contract, among others.

**9. Management Discussion and Analysis**

**a) Operational and Financial Performance**

During the financial year 2023/2024 the Authority put in place measures to ensure financial sustainability in its operations. The allocations received from the exchequer have been low over the years. This has put pressure on the Authority to improve on revenue collection to sustain its operations which is still not enough.

During the financial year ending 30<sup>th</sup> June 2024 the Authority was able to collect cumulatively Kshs 595 Million as internally generated funds (AIA). The Management intends to intensify efforts and improve on the level of revenue collections in future in order to reduce the current financing gap.

Learning institutions since closure recorded the least abstractions levels /water use levels ever since the pandemic hit. Large scale irrigation schemes.-Nib, Tarda, KVDA irrigation scheme have remained non-compliant to payment of water use invoices issued.

During the year under review the Authority's expenses were cumulatively Kshs 1,617,628,561. The operations and financial performance is summarized by the table 3 below;

**Table 3: WRAs Financial and operations performance**

S/N0	Item Description	Financial Year		
		2023/2024	2022/2023	2021/2022
<b>Operational Performance</b>				
No. of permits issued		1,321	775	1173
Volume of water abstracted under permit		250,095.21M3 per day	110,416.42M3 Per day.	88,856,426 M3 per day
Total billings		0	517,178,928	726,048,838
Actual collections		595,673,155	870,776,139	812,789,998
Gok Grants		718,000,000	712,800,000	612,000,000
Operating Expenses		1,617,628,561	1,603,768,810	1,512,125,203
Operating Surplus/deficit		(425,000,813)	(231,324,344)	(20,887,286)

**b) Key Projects and Investments decisions.**

During the period under review Water Resources Authority undertook the following projects which are funded by the government under development grant.

**I. Lamu Ground Water Conservation**

The project entails implementation of Groundwater conservation activities

**Achievements**

The Water Allocation Plan was presented to stakeholders and adopted. Sensitization and Training of AMU GCA Management Committee was carried out and 6000 trees planted within the GCA

**II. Kikuyu springs groundwater conservation.**

Dev The project entails securing of Kikuyu groundwater recharge through protection of key recharge wetlands in ground water conservation areas.

**Achievement**

- Delineation of 3 swamps carried out (Nduma, Riu and Nyakumu)
- Management guideline reviewed, current status of GCA compiled and 23,000 trees planted within the GCA

**III. Abstraction Survey and pollution control Surveys**

- Flood risks assessment were carried out in Enkare Narok, Nyando and Lower Tana areas.
- 2 No. Abstraction and Pollution Surveys were undertaken for Mwache and Khalaba river systems done.

**IV. Implementation of Sub Catchment Management plans (SCMPs).**

The objective of this project is to conserve water towers, water catchment areas, springs and riparian areas.

**Achievement**

- 8No. Springs protected. Boka, kwa mukonza and Mbulitini funded by TWENDE project in the Kyulu hills landscape and 2No. By Endao WRUA. 3 No springs protected by Narosura WRUA and WSTF ( i.e kibalbei, chesikari and Kapkilyai)

- 9No. RWHT installed in public institutions. Ie Kapnyeberai Girls High School, Songoliet Primary school, Cheptingting primary school, Karrel primary school and Kogamei primary schools in Nandi County and Illula Albinisn Centre-Eldoret & Mindiliwo special school-Iten supported by WRA.

#### **V. Drilling of Exploratory wells**

Project entails drilling and equipping of dedicated boreholes aquifers, monitoring assessments and mapping of groundwater resources

##### **Achievement**

- 3 exploratory and monitoring wells drilled in Mukothima, Loonkitok, and Kipketi.
- 22 staff trained on use of New Groundwater Equipment, data collection and groundwater management in Kakuma Turkana

#### **VI. Construction and Rehabilitation of Water Monitoring**

This project encompasses, design construction, installation, rehabilitation, modernization and operationalization of telemetric water resources monitoring networks.

##### **Achievement**

- 27No. Regular Gauging Stations rehabilitated; 1AA01-Malaba, 1BE06 Koitobos, 1DA02 Nzoia at Webuye, 1FG01 Yala, 1FG02 Yala at Kadenge, 1KB12 Kenyamware, 1GC06 Masaita, 1JF07 Kipsonoi, 1KB05 Gucha Migori, 1GB05 Ainamutua, 1HE01 Tende, 2F19 Njoro, 2FA02 Mereroni, 2GA01 Gilgil, 2GD06 Lake Naivasha, 3AA06 Mbagathi, 3BB12 Kamiti, 3JC15 Lumi, 3KD06 Mukurumudzi, Machakos Water Yard yainfall station, 4BE01 Maragua, 4CA02 Chania, 4CB04 Thika, 5DA07 Isiolo, 5DA04 Rugusu, 5DA05 Likiundu, 5BE21 Nanyuki, 5BE22 Sirimon.

#### **VII. AthiRiver Restoration Programmes**

##### **Achievements**

- Water quality monitoring was undertaken upstream of Thwake dam in 4 quarters. Additionally, assessment of oil spill in Thange river was carried out.
- Calibration was done for instruments at two laboratories, i.e. Nyeri and Nakuru laboratories

## VIII. Horn of Africa-Groundwater for Resilience Project (HoAGW4R)

### **Achievements**

- Undertook 4 Aquifer Assessments, Preparation of Development and Management plans (AADMPs) was done for i. Lotikipi/Napuu Aquifers ii. Merti Aquifer iii. Neogene Aquifer iv. Walda-Rawana, Logologo-Shuur , Mandera West and Elwak Aquifers
- Procurement and delivery of seven project vehicles was done

### **c). Compliance to statutory requirements and Material arrears to financial obligations**

It is a requirement for all state corporations to adhere to the set deadlines in remission of all statutory requirements including compliance to financial obligations.

#### **i. Tax and Statutory Compliance**

The Authority has always strived to comply with tax remissions and other statutory deductions. However, due to limited cash flows resulting from court injunctions on AIA collections and delays or insufficiencies in the remittance of GOK recurrent support, the Authority has faced challenges in meeting its tax obligations.

#### **ii. Material arrears in statutory Requirements**

The tax dues payable to KRA amounting to Kshs.1.368b comprises of Kshs. 882M as principal amount and Kshs.481M representing interest and penalties. The dues relate to unremitted PAYE deductions made from staff salaries, VAT deductions and Withholding tax from merchants and contractors/consultants. The debt has accumulated over the last five years, i.e. between the period September 2011 and June 2016, an amount of Kshs.826m was deducted from staff and merchants as taxes relating to PAYE, withholding tax and VAT but the same was not remitted to KRA as required due to cash flow limitations.

The Authority has a financial obligations of Kshs 362million this relate to on lent loan granted to the Authority for implementations of livelihood activities the loan fall due on March 2017

In May 2016 Kenya Revenue Authority undertook a Tax audit on Water Resources Management Authority and established that the total unremitted funds amounted to Kshs.882, 171,134. Further a penalty of Kshs.214, 375,967 and interest of Kshs.270, 207,113 were imposed on the said principle making the total amount due to KRA to be Kshs.1, 366,754,214.

The Authority has sought for support from the Ministry of Water and Sanitation to settle this debt on behalf of the Authority.

**d). Major risks**

**Liquidity Risk**

Low funding: Lack of adequate financial support and several supplementary Budget cuts from the government slows down the implementation of Authority's Mandate

Revenue Defaulters: A number of Water Service Providers and Government institutions are defaulting on payment of water bills thus exposing the Authority to risk related to cash flow.

**i. Operational risks**

Retirement of most of the technical staff exposes the organization to a major operations risk due to loss of institutional experts who have progressive skills in technical matters, among others.

Security Threats to Authority's Equipment -Vandalism of Authority's devices and equipment for measuring river flows, weather stations and master meters leading to loss of water resource data and revenue.

Political interference in implementing our mandate: e.g. by the county government due to conflicting mandate on management of water resources.

Floods washing away water monitoring stations

**Financial risks**

Failure to pay the NRM loan has already attracted interest on loan thus increasing the Authority liability

## **10. Environmental and Sustainability Reporting**

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

### **i) Sustainability strategy and profile**

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

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

#### **a. Strategic Plan 2018-2023**

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

#### **b. Quality management systems-ISO 9001:2015**

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

#### **c. Customer service charter**

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

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

**d. Performance contracting.**

As a government entity WRA is under the Performance Contracting and to ensure adherence to this government policy, the WRA Performance contract has been cascaded to individual staff. The national PC has been linked to all areas and individual level. The results on the PC achievement and reporting for the year was Excellent score.

**ii) Environmental performance**

Environmental sustainability is the foundation on which the survival of the future generation is built. It refers to the responsible management of natural resources to fulfill current needs without compromising the ability of future generations to meet their own needs and aims balance ecological, economic and social goals. Environmental sustainability is at the core of WRA's operations as the regulations are centred on sustainable management and use of water resources. Environmental sustainability may be looked at from two aspects – internal processes that may contribute to environmental degradation and deliberately designed programs that are implemented to directly address sustainability issues.

With regards to internal processes, WRA in its draft Environmental Policy outlines strategies to address responsible and sustainable consumption of resources such as energy and water as well as control of pollution focusing on management of internally generated waste.

On the other hand, to directly contribute to environmental sustainability, WRA has been continuously implementing catchment conservation and protection programs geared towards healthy ecosystems, enhanced biodiversity and water availability for the Kenyan population. Some of the environmental sustainability intervention programs that are being implemented are highlighted below.

**a. Riparian Marking and protection**

Various anthropogenic activities which are carried out in riparian have continued to undermine sustainability of the water resources. To reverse the trend, WRA embarked on riparian marking and pegging to delineate riparian zones within which certain activities that are detrimental to water resources are regulated. During, the financial year 2023/2024, cumulatively, 228 km of riparian has been marked and pegged across the country with Nairobi Sub-basin area leading the pack at 120 km. The performance within the Nairobi Sub-basin was driven by enhanced evacuation program along the Nairobi rivers (R. Ngong, Nairobi, Mathare and their tributaries) following presidential directive in April as an intervention to address the flood risks. In the

directive, people living within 30 m of the riparian zones along the three rivers were to be evacuated and structures within these areas demolished.

**b. Gazettement of catchment guidelines**

WRA has a mandate to identify vulnerable but critical catchments for focused conservation and protection interventions. During the Financial Year 2023/2024, seven sub catchments (i.e. Kibirong' Wetland, Enayapuipui Swamp, Mereroni-Mbaruk Swamp, Chereni Wetland, Siany Wetland, Kamatargui Wetland and Fafi Wetland) were identified for gazettelement. The Management Guidelines for these wetlands have since been developed and presented to relevant stakeholders for adoption. Consequently, the documents have been submitted to the office of the Attorney General for gazettelement consideration. Gazettelement of the wetlands will enhance conservation intervention measures and create focused attention thus attracting resources for sustainable management programs.

**c. National tree planting programs**

Kenya, like many other countries, is already reeling under the weight of climate change with experiences of unpredictable weather patterns which affect many aspects of life of its population. To mitigate the climate change and enhance community resilience, WRA heeded the call by the president to grow trees, rehabilitate and restore degraded landscapes and conserve catchments. As a step towards achieving the 15 billion trees national target in ten years, WRA has embarked on an ambitious tree growing program in collaboration with Water Resources Users Associations (WRUAs). During the Financial Year 2023/2024, through stakeholders collaborations, WRA facilitated planting of 454,267 No. trees across the six basin areas. The highest number (157,584) was planted in Lake Victoria North Basin Area, followed by Rift Valley Basin Area (105,629), Athi Basin Area (99,723), Lake Victoria North Basin Area (70,042), Tana Basin Area (12,191) and Ewaso Ng'iro North Basin Area (9,098). Growing the trees will go along way in enhancing ecological resilience and sustainable catchments.

**d. Maintaining Environmental flows and the reserve**

Water resources are subjected to competing demands geared towards socio-economic development. This often overshadows the environmental needs for water to sustain the ecosystem. The WRAs water allocation system is designed such that maintenance of environmental flows and reserve takshs precedent over any other need. Consequently, abstraction permits are issued

with conditions that water cannot be withdrawn from water resources above a set environmental flow threshold to ensure water availability for basic human needs and sustenance of essential processes required to support healthy river ecosystems. Moreover, to safeguard groundwater aquifers, when issuing groundwater abstraction permits, WRA determines the safe yield and may allocate up to 40% for base flow (ecological reserve).

**e. Pollution control**

Whereas over-abstraction may lead to depletion of water resources, thus denying the future generation opportunity to meet their own water need, water pollution creates virtual scarcity where water could be available but not suitable for intended purposes. Thus, both scenarios portend risk to environmental sustainability. To address these issues, WRA has put in place a robust program for pollution control and water allocation. First, WRA carries a water abstraction and pollution survey which provide data for the development of Water Allocation Plants (WAPs) and informs pollution control interventions. WAPs are not only important for water resources sustainability but also ensures equity in water allocation. During the FY 2023/2024, two water abstract and pollution surveys were carried out. Second, in an effort to deal with pollution, WRA has continued to apply Effluent Discharge Plans and Permits to control wanton pollution.

**iii. Employee welfare**

WRA is implementing its Human Resource Policy and Procedures Manual that sets the guidelines on recruitment, Gender ratio, and selection of members of staff. The Authority observes gender mainstreaming, balance on appointments, promotions and ensures that the rule on a minimum of a third (1/3) are of either gender is adhered to. In carrying out its mandate, we involve public consultation and stakeholder engagements i.e. licensing, enforcement and community engagement.

The Authority has career guidelines developed and approved by the SCAC. We also have training plans, Skills inventory, training needs assessments and skills gap analysis.

**iv. Market place practices-**

The organization should outline its efforts to:

**a) Responsible Competition Practises**

WRA ensures it gives equal opportunities to all issues regarding procurement, through advertising all procurement opportunities in public portals and website and

relativity issues requests for quotation to the listed suppliers. Tenders are opened publicly in present of bidders who choose to attend opening session. This gives all a fair competition since evaluation is done within the set criteria in the bids.

b) Responsible Supply chain and supplier relations

WRA has a responsible supply chain with qualified professionals who maintains good relationship with suppliers. They offer business opportunities to all supplies treats the suppliers as partners where they develop and support them in different ways like writing a recommendation letter for financing, prompt payment among others.

c) Responsible marketing and advertisement

WRA being a public entity markets its self through the activities it does to the public it advertises all the business opportunities to his website and other public portals. Where high standards of ethics are observed.

d) Product stewardship.

WRA as a public institution enhances *product stewardship* to minimizing the health, safety, environmental, and social impacts of a product and its packaging throughout all lifecycle. This is done through ensuring that the products procured meets the quality stands of accreditation. This is included in the evaluation criteria during tendering. Through that we safeguard our customer's rights and interest.

**V. Corporate Social Responsibility/Community Engagement**

The Ministry of Water, Sanitation and Irrigation in collaboration with WRA Kabarnet Sub Basin Office and other relevant stakeholders made preparations towards World Water Day celebrations. The celebration took place on 22<sup>nd</sup> of March 2024 at Mindililwo Special School and Ilula Albinism Center in Elgeyo Marakwet County. The theme for this year's celebration was "*Leveraging Water for Peace*" World Water Day is held annually as a means of focusing attention on the importance of freshwater and advocating for the sustainable management of freshwater resources.

The Authority pledged to donate 2No.(10,000 liter) water tanks to Mindililiwo School, and 2No.(10,000 liter) water tanks to Ilula Albinism Center. The Chief Guest was the Ministry of Water, Sanitation and Irrigation Cabinet Secretary - Zacharia Mwangi Njeru, during the World Water Day 2024 celebrations



Ministry of Water, Sanitation and Irrigation CS Zacharia M.Njeru accompanied by MoWSI PS Julius Korir, Governor Hon. Wisley Rotich, the patron SMACHS Foundation (Smart Mechanized Agriculture & Climate Action for Humanity and Sustainability), Ms. Charlene Ruto, WRA CEO Mr. [Mohamed Shurie](#), WRA Chairman [Donald Murgor](#) and other senior Ministry officials.



Ministry of Water, Sanitation and Irrigation CS Zacharia M.Njeru together with Governor Hon. Wisley Rotich, the patron SMACHS Foundation (Smart Mechanized Agriculture & Climate Action for Humanity and Sustainability), Ms. Charlene Ruto, MoWSI PS Julius Korir, WRA Chairman [Donald Murgor](#), WRA CEO Mr. [Mohamed Shurie](#), Water Secretary Eng. S.O. Alima and other GoK officials.



L-R; Elgeyo Marakwet Governor Hon. Wisley Rotich, the patron SMACHS Foundation (Smart Mechanized Agriculture & Climate Action for Humanity and Sustainability), CS Zacharia M. Njeru, Ms. Charlene Ruto, WRA CEO Mr. [Mohamed Shurie](#) and WRA Chairman [Donald Murgor](#)



WRA CEO Mr. [Mohamed Shurie](#) giving his remarks during the World Water Day Celebrations 2024 at Elgeyo Marakwet County.

## **11. Report of the Directors**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of Water Resources Authority.

### Principal activities

The principal activities of the Authority are to regulate water resources management in collaboration with Stakeholders for sustainable development.

### Results

The results of the Authority for the year ending June 30<sup>th</sup>, 2024 are set out on page 1 and the Authority had a deficit of KSHS.(425,000,813)Million compared to last year's financial performance of a deficit of KSHS (231,324,344) Million.

### Directors

The members of the Management Board who served during the year are shown on page vi and were appointed with effect from 28<sup>th</sup> July 2023

### Dividends/Surplus remission

In accordance with Regulations 219 (2) of the Public Finance Management Act 2015, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The entity did not make any surplus in the year FY 2023/24, hence no remittance to the Consolidated Fund.

### Auditors

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

By Order of the Board



**Janet Olewe Ochieng.**  
**Manager legal services /Corporation Secretary.**

## **12. Statement of Directors' Responsibilities**

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

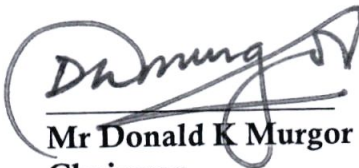
The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year that ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and State Corporations Act. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2024, and of the Authority's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained by the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

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

### **Approval of the financial statements**

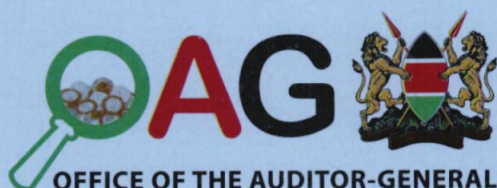
The entity's financial statements were approved by the Board on 26/09/ 2024 and signed on its behalf by:

  
**Mr Donald K Murgor**  
**Chairman**

  
**Mohamed M. Shurie OGW, MBS**  
**Chief Executive Office**

# REPUBLIC OF KENYA

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NAIROBI

*Enhancing Accountability*

## REPORT OF THE AUDITOR-GENERAL ON WATER RESOURCES AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2024

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### PREAMBLE

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

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

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

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

## REPORT ON THE FINANCIAL STATEMENTS

### **Qualified Opinion**

I have audited the accompanying financial statements of Water Resources Authority set out on pages 1 to 60, which comprise of the statement of financial position as at 30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Water Resources Authority as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Water Act, 2016 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Long Outstanding Receivables from Exchange Transaction**

The statement of financial position and Note 17 to the financial statements reflects an amount of Kshs.2,235,457,701 relating to receivables from exchange transactions. This is composed of general debtors of Kshs.2,483,841,890 less provision for bad debts at 10% of Kshs.248,384,189. Out of the general debtors, Kshs.2,130,742,253 or 86% has been outstanding for over two (2) years and its recoverability is doubtful.

Further, the provision for bad and doubtful debts of Kshs.248,384,189 is considered not adequate for these long outstanding debtors.

In the circumstances, the accuracy and recoverability of the receivables from exchange transactions balance of Kshs.2,235,457,701 could not be confirmed.

#### **2. Inaccurate Value for Property, Plant and Equipment**

The statement of financial position and as disclosed in Note 19a to the financial statements reflects property, plant and equipment balance of Kshs.242,026,921. Included in the balance is Kshs.58,797,833 in respect to land and buildings. The Authority owns property in nineteen (19) regional offices. However, this balance does not include the

value of the land on which the Authority's regional buildings are built on since valuation has not been done due to lack of ownership documents.

In the circumstances, the accuracy and completeness of property, plant and equipment amounting to Kshs.242,026,921 could not be confirmed.

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

## **Emphasis of Matter**

### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects budgeted final receipts of Kshs.3,208,700,000 and actual receipts on comparable basis of Kshs.1,192,627,748 resulting to under funding of Kshs.2,016,072,252 or 62.8%. Similarly, the statement of comparison of budget and actual amounts for the year ended 30 June, 2024 reflects budgeted expenditure of Kshs.3,208,700,000 and actual expenditure of Kshs.1,617,628,561 resulting to under absorption of Kshs.1,591,071,438 or 49.6%.

The under-collection and under-absorption affected the planned activities and may have impacted negatively on service delivery to the Public.

### **2. Debarment of Implementation of New Water Tariffs**

The statement of financial performance reflects a Nil amount for sale of water and electricity (Kshs.517,176,150 for 2022/2023) as further disclosed in Note 9 to the financial statements. Review of records revealed that conservatory orders were issued suspending the implementation of water use charges in the case Nairobi Petition No. E108 of 2023. The Petitioners were seeking orders against the Respondents that a declaration be issued to declare that the Water Resources Regulations, 2021 were promulgated in violation of Article 10 and 96 of the Constitution and Section 11 of the Statutory Instrument Act, 2013. This has resulted in the Authority not collecting any revenues for water charges hence foregoing revenues in excess of Kshs.517,176,150.

The failure to collect the revenue from sale of water and electricity affected planned activities and may have impacted negatively on service delivery to the Public.

### **3. Long Outstanding Trade and Other Payables**

The statement of financial position and Note 21 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs.1,539,283,611 which includes an amount of Kshs.1,497,214,710 relating to trade creditors. Aging analysis of the trade creditors shows an amount of Kshs.1,364,677,477 or 91% has been outstanding for more than one (1) year. Further, the VAT totalling Kshs.4,007,199 and Commissioner of Domestic Taxes of Kshs.725,183,588 have been outstanding for a long period of time;

Delayed remittance of statutory deductions will attract interest and penalties while payables are supposed to form first charge in subsequent year's budget

### **4. Default in Loan Repayment**

The statement of financial position and as disclosed in Note 25 to the financial statements. reflects current portion of borrowing and long-term loan of Kshs.166,348,393 and 271,959,225 respectively totaling Kshs.438,307,618. The loan relates to an on-lent loan from the Government of Kenya arising from a credit granted by the World BANK (IDA) earmarked for Natural Resources Management (NRM) Project with various effective dates of repayments starting 30 March, 2017. The loan has been outstanding for considerably long period of time and the Authority has not started repaying the loan. The current portion of principal payable is Kshs.90,653,075 and the loan has accrued interest and penalties of Kshs.74,788,787 and Kshs.906,531 respectively totaling to Kshs.75,695,318.

In the circumstances, delay in repaying the loan will result to accruing more interest and penalties to the Authority due to compounding of penalty at 2% per annum of the outstanding balance as per the loan agreement.

My opinion is not modified in respect of these matters

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public

Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for the failure to resolve them.

### **Other Information**

The Management is responsible for the other information set out on pages iv to xlvi which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance against Pre-determined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities, The Other Information does not include the financial statements and my audit report thereon.

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

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Understaffing in the Authority**

Review of the Authority's approved staff establishment indicates that it allows for employment of a total number of one thousand, one hundred and seventy-three (1,173) members of staff for the Authority to effectively carry out its duties and obligations. However, review of payroll data revealed that out of the approved number, the Authority has six hundred and forty-three (643) employees, thus resulting to a variance (understaffing) of 530 employees (45%).

In the circumstances, effective and efficient management of the Authority's mandate to the stakeholders could not be confirmed.

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

#### **Responsibilities of Management and the Board of Management**

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

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue to sustain its services, disclosing, as applicable matters

related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Authority or to cease its operations.

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

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

The Board of Management is responsible for overseeing the Authority'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**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

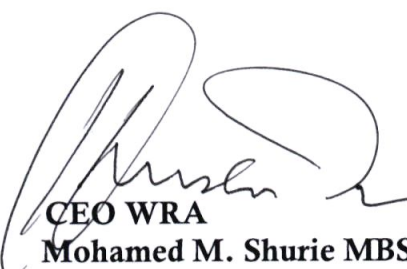
**Nairobi**

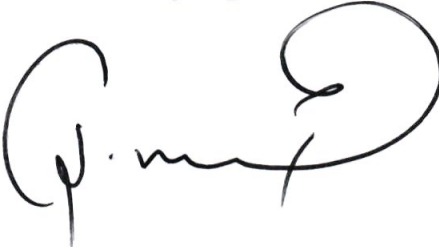
**30 December, 2024**

14. Statement of Financial Performance for the year ended 30 June 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Licenses and Permits	6	248,252,119	115,383,679
Transfer from other Governments and agencies	7	902,908,622	685,408,881
<b>Revenue from exchange transactions</b>			
Rendering services	8	23,181,590	29,472,337
Sale of water and electricity	9	0	517,176,150
Other incomes	10	18,285,417	25,003,420
Total revenue		<b>1,192,627,748</b>	<b>1,372,444,467</b>
<b>Expenses</b>			
Employee costs	11	951,283,065	863,299,100
Board Expenses	12	20,157,839	14,323,746
Use of Goods and Services	13	179,954,433	291,703,384
Water Resources Management Expense	14	363,280,827	328,421,977
Finance cost	15	10,092,709	10,092,709
Depreciations and Amortization Expense	20	92,859,688	95,927,895
Total expenses		<b>1,617,628,561</b>	<b>1,603,768,811</b>
Surplus /(deficit ) for the period		(425,000,813)	(231,324,344)

The notes set out on pages 7 to 55 form an integral part of these Financial Statements

  
CEO WRA  
Mohamed M. Shurie MBS

  
Manager Corporate Services  
James Mburu  
ICPAK Member No 6563

  
Chairman of the Board  
Mr. Donald K Murgor

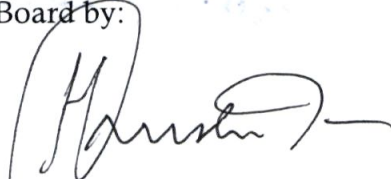
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**Water Resources Authority**  
**Annual Report and Financial statements**  
**For the year ended 30<sup>th</sup> June 2024**


**15. Statement of Financial Position as at 30 June 2024**

		2023-2024	2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	191,062,908	88,707,170
Receivables from exchange transactions	17	2,235,457,701	2,498,440,036
Receivables from non-exchange transactions	18	223,919,390	171,821,725
<b>Total Current Assets</b>		<b>2,650,439,999</b>	<b>2,758,968,931</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	19a	242,026,921	186,846,950
Intangible assets-software	19b	49,625,748	96,565,915
<b>Total Non-Current Assets</b>		<b>291,652,669</b>	<b>283,412,865</b>
<b>Total Assets</b>		<b>2,942,092,668</b>	<b>3,042,381,796</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions-	21	1,539,283,611	1,364,819,352
Provisions	22	88,535,491	60,709,911
Deferred income	23	213,754,600	179,561,888
Current portion of borrowing	25a	166,348,393	144,168,607
<b>Total Current Liabilities</b>		<b>2,007,922,095</b>	<b>1,749,259,758</b>
<b>Non-current liabilities</b>			
Long Term Loan	25b	271,959,225	284,046,302
<b>Total Non-current liabilities</b>		<b>2,279,881,320</b>	<b>2,033,306,060</b>
Capital Funds	24	436,912,537	358,276,112
Revenue Reserves		225,298,811	650,799,624
<b>Total Net Assets</b>		<b>662,211,348</b>	<b>1,009,075,736</b>
<b>Total Net Assets and Liabilities</b>		<b>2,942,092,668</b>	<b>3,042,381,796</b>

The Financial Statements set out on pages 1 to 6 were signed on behalf of the Management Board by:

  
**CEO WRA**  
**Mohamed M. Shurie MBS**

  
**Manager Corporate Services**  
**James Mburu**  
**ICPAK Member No .6563**

  
**Chairman of the Board**  
**Mr. Donald K Murgor**

Date.....26/09/2024 Date.....26/09/2024 Date.....26.09.2024

16. Statement of Changes in Net Assets for the year ended 30 June 2024

	<b>Capital Funds</b>	<b>Revenue Reserves</b>	<b>TOTAL</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Balance 01.07.2022	237,199,044	885,123,968	1,122,323,012
Donated Assets	121,077,068	0	0
Adjustments in Reserves	0	-3,000,000	(3,000,000)
Surplus for the year	0	-231,324,344	-231,324,344
<b>Balances 30.06.2023</b>	<b>358,276,112</b>	<b>650,799,624</b>	<b>1,009,075,736</b>
Balance 01.07.2023	358,276,112	650,799,624	1,009,075,736
Transfer to Capital funds-Donated assets-HoA Project	78,636,425	0	78,636,425
Adjustments in Reserves		(500,000)	(500,000)
Surplus for the period	-	-425,000,813	-425,000,813
<b>Balance as at 30 June 2024</b>	<b>436,912,537</b>	<b>225,298,811</b>	<b>662,211,348</b>

Water Resources Authority  
Annual Report and Financial statements  
For the year ended 30<sup>th</sup> June 2024

**17. Statement of Cash Flows for the year Ended 30 June 2024**

		<b>2023-2024</b>	<b>2022-2023</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Cash flows from operating activities</b>			
Net Cash flows from Operating activities <b>Restated</b>	26	137,405,881	(12,957,339)
<b>Cash flows from investing activities</b>			
Purchase of PPE and intangible assets	19a & 19b	(101,099,491)	(146,179,718)
<b>Net cash flows used in investing activities</b>		<b>(101,099,491)</b>	<b>(146,179,718)</b>
<b>Cash flows from financing activities</b>			
Net cash flows used in financing activities			
Adjustments in reserves- prior year surplus remittance		(500,000)	(3,000,000)
Decrease in Long term loan- <b>Restated</b>		(12,087,077)	(12,087,077)
Other Proceeds- Assets Donated by HOAGW4RP Project	24	78,636,425	121,077,068
<b>Net cash generated from/ (used in) Financing activities</b>		<b>66,049,348</b>	<b>105,989,991</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>		<b>102,355,738</b>	<b>(53,147,066)</b>
Cash and cash equivalents at 1 <sup>st</sup> July 2023		88,707,170	141,854,236
<b>Cash and cash equivalents at 30 June 2024</b>	<b>16</b>	<b>191,062,908</b>	<b>88,707,170</b>

NB:- Adjustment in reserves relates to payments made to KRA from past surplus.

18. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2024.

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization	Explanation
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024		
	Kshs	Kshs	Kshs	Kshs	Kshs		
Revenue							
Licenses and permits	40,000,000	215,000,000	255,000,000	248,252,119	6,747,881	97	
Transfer from other government	1,966,000,000	(357,300,000)	1,608,700,000	902,908,622	705,791,378	56	Partial remittance of funds; HOA and Dev
Rendering of services-Misc.	20,000,000	5,000,000	25,000,000	23,181,590	1,818,410	93	
Sale of goods-Water	530,900,000	769,100,000	1300,000,000	0	1,300,000,000	0	Court order barred billing
Other Income	9,100,000	10,900,000	20,000,000	18,285,417	1,714,583	81	
<b>Total income</b>	<b>2,566,000,000</b>	<b>642,700,000</b>	<b>3,208,700,000</b>	<b>1,192,627,748</b>	<b>2,016,072,252</b>	<b>37</b>	
<b>Expenses</b>							
Compensation of employees	868,500,000	179,885,000	1,048,385,000	951,283,065	97,101,935	91	
Use of Goods and Services	169,500,000	915,115,000	1,084,615,000	179,954,433	904,660,568	17	Budget Underfunding
Board Expenses	20,000,000	5,000,000	25,000,000	20,157,839	4,842,161	81	
Depreciation and Amortisation	0	0	0	92,859,688	(92,859,688)		
Water Resource Management Expense	1,508,000,000	-457,300,000	1,050,700,000	363,280,827	687,419,173	35	Budget Underfunding
Finance cost	0	0	0	10,092,709	(10,092,709)		
Total expenditure	<b>2,566,000,000</b>	<b>642,700,000</b>	<b>3,208,700,000</b>	<b>1,617,628,561</b>	<b>1,591,071,438</b>	<b>50</b>	
<b>Surplus/(Deficit) for the period</b>				<b>(425,000,813)</b>			

Budget notes.

- i. The difference between the original and final budget was due to Increased AIA budget by Kshs 1 Billion and less funding of HOAGW4RP budget by over KShs 750 Million.

## 19. Notes to the Financial Statements

### 1. General Information

Water Resources Authority is established by and derives its authority and accountability from section 11 of the Water Act 2016. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

### 2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the WRA accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 1

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

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

### 3. ADOPTION OF NEW AND REVISED STANDARDS

- i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023

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

**3. ADOPTION OF NEW AND REVISED STANDARDS (Continued)**

ii

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

ii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020.

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Revenue recognition**

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

**Fees, taxes and fines**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- a) Revenue recognition (Continued)
  - ii) Revenue from exchange transactions

**Rendering of services**

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

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

**Sale of water**

Revenue from the sale of water is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on abstraction and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

**Interest income**

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

**b) Budget information**

The original budget for FY 2022-2023 was approved by the Parent Ministry on 7<sup>th</sup> July, 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

**c) Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**d) Property, plant and equipment**

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

Depreciation is calculated on straight line basis to write down the cost of each asset to its residual value over its estimated useful life using the following per annum rates:

Buildings	10.0%
Water Supply Infrastructure	2.5%
Office Equipment	12.5%
Computers & IT Equipment	33.3%
Motor Vehicles	25.0%
Furniture and Fittings	12.5%

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Intangible assets**

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

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

**f) Research and development costs**

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

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

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f) Research and development costs (Continued)**

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**g) Financial instruments**

**Financial assets**

**Initial recognition and measurement**

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

**Held-to-maturity**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Impairment of financial assets**

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Research and development costs (Continued)

i) Financial instruments (Continued)

*Financial assets (Continued)*

*Impairment of financial assets (Continued)*

- The debtors or entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

*Financial liabilities*

*Initial recognition and measurement*

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

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

*Loans and borrowing*

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j) Provisions**

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

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

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

WRA has made provisions for staff gratuity which is based on yearly contributions for staff on contract at the rate of 31% of the basic pay. Subsequent gratuity payment at the end of the contract shall be paid against this provision. At the end of the financial year leave allowance payable for the period shall also be based on the actual leave allowance payable hence a provision of the same amount is provided for.

***Contingent liabilities***

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

***Contingent assets***

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

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of revenue reserves and capital funds.

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

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

**m) Employee benefits**

**Retirement benefit plans**

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

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**n) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o) Related parties**

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

**p) Service concession arrangements**

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**q) 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.

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**r) Comparative figures**

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

**s) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.

**5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION  
UNCERTAINTY**

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made: e.g

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual values**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Licenses and Permits

Description	2023-2024	2022-2023
	KShs	
Application & Authorization Fee	109,979,685	48,403,994
G/Water Permit Fee	27,727,903	55,125,172
S/Water Permit Fee	110,544,531	11,854,513
<b>Total</b>	<b>248,252,119</b>	<b>115,383,679</b>

7a) TRANSFERS FROM OTHER GOVERNMENTS

These are funds received from development GOK through Ministry of water and Sanitation and other state agencies.

Description	2023-2024	2022-2023
	KShs	KShs
<b>Unconditional grants</b>		
Recurrent Grants- MoWS	557,999,999	454,000,000
Development Grants- MoWS	287,971,879	174,377,359
KWSCRPF Funds	180	57,031,522
Water Sector Trust Fund- WSTF	0	0
HOAGR4RP	56,936,564	0
<b>Conditional grants</b>	0	
<b>Total government grants and subsidies</b>	<b>902,908,622</b>	<b>685,408,881</b>

7b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES.

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2022-2023
			KShs	KShs	KShs
Recurrent Grants-MOWS	557,999,999		-	557,999,999	454,000,000
Development Grants-MOWS	287,971,879	213,754,600	78,636,425	287,971,879	174,377,359
KWSCRPF Grants	180			180	57,031,522
HOAGW4RP	56,936,564			56,936,564	0
<b>Total</b>	<b>902,908,622</b>	<b>213,754,600</b>	<b>78,636,425</b>	<b>902,908,622</b>	<b>685,408,881</b>

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

**8. RENDERING OF SERVICES**

Description	2023-2024	2022-2023
	KShs	KShs
Laboratory Service charges	23,167,190	26,470,707
Waste Disposal Charges	14,400	3,001,630
Total revenue from the rendering of services	<b>23,181,590</b>	<b>29,472,337</b>

This represents revenue realized from offering laboratory service to clients undertaking water quality testing. Waste disposal charges are given to users of have effluent discharge permits.

**9. SALE OF GOODS**

Description	2023-2024	2022-2023
	KShs	KShs
Conservation Charges	0	1,304,998
S/Water use charges	0	409,651,693
G/Water use charges	0	106,219,459
Total revenue from the sale of goods	<b>0</b>	<b>517,176,150</b>

This represents revenue realized from water use charges but court order stopped billing of water use charges hence no invoices raised in the period under review.

**10. OTHER INCOME**

Description	2023-2024	2022-2023
	KShs	KShs
Interest Income	1,482,274	1,357,427
Penalties	4,341,999	16,834,969
Data Sales	5,845,550	6,209,400
Other Incomes	1,483,594	590,699
Disposal income	5,132,000	10,925
Total other income	<b>18,285,417</b>	<b>25,003,420</b>

This are non-regular funds earned from Penalties and interest on bank balances negotiated with our banks on revenue collection accounts, sale of data, assets disposal and other miscellaneous receipts.

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

**11. EMPLOYEE COSTS**

	2023-2024	2022-2023
	KShs	KShs
Basic Salaries	583,446,298	536,481,446
House Allowance	142,452,200	130,849,833
Other Allowances	44,776,914	32,450,860
Gratuity & Pension Contribution	111,070,660	97,517,917
Leave Allowance	15,936,793	15,040,400
Commuter Allowance	53,600,200	49,638,600
Honoraria	0	1,166,894
Transfer Allowances	0	153,150
<b>Total Employee costs</b>	<b>951,283,065</b>	<b>863,299,100</b>

**12. BOARD EXPENSES**

Description	2023-2024	2022-2023
	KShs	KShs
Chairman's Honoraria	960,000	960,000
Board Workshops and Seminars	1,910,742	168,000
Board Travel and Accommodation	11,644,097	9,544,121
Board sitting	5,643,000	3,651,625
<b>Total director emoluments</b>	<b>20,157,839</b>	<b>14,323,746</b>

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

**13. USE OF GOODS AND SERVICES**

Description	2023-2024	2022-2023
	KShs	KShs
Staff Training Expenses	2,354,081	893,939
Medical Expenses	818,371	73,148,279
Motor Vehicle Expenses	17,634,811	18,963,764
Travelling and Accommodation	69,444,589	92,250,874
Conferences and Meetings	0	184,200
Telephone & Internet costs	9,660,906	13,847,656
Postal & Courier Services	487,831	567,781
Official Entertainment	161,729	511,454
Staff Welfare Expenses	271,684	111,175
Hospitality Costs-Purchase of Coffin	800,000	543,660
Catering Expenses	2,420,669	2,450,571
Advertising Expenses	3,413,803	2,311,265
Uniform & Clothing	2,826,790	3,291,600
Insurance Costs	3,079,865	12,875,794
Membership Fees and Subscription to Professional Bodies	8,773,419	12,167,934
Legal Cost	3,114,000	1,843,958
Contracted guards	20,941,922	20,899,332
Show Expenses	35,500	0
Office Rent and Rates	22,465,840	21,681,993
Electricity Expenses	2,417,564	2,024,071
Water and Conservancy Expenses	331,593	369,952
General Office Expenses	3,219,472	3,660,472
Computer Stationery & Accessories	813,186	1,000,771
Office General Stationery	14,133,473	16,635,477
Publishing and Printing	508,750	292,801
Library Expenses	267,641	319,884
Maintenance of Furniture and Office Equipment	614,468	1,077,778
Maintenance of computers, softwares ,networking plant and machinery	11,314,013	2,025,995
Maintenance building and stations	956,295	435,276
Minor alteration and maintenance works	22,193	55,538
Bank Charges & Commissions	783,794	988,994
Laboratory & Reagents Supplies	3,586,440	2,440,740
Audit fees	1,500,000	1,500,000
Provision for bad debts	(29,220,259)	(19,669,594)
<b>Total Use of Goods and Services</b>	<b>179,954,433</b>	<b>291,703,384</b>

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

**14. Water Resources Management Expenditure**

Description	2023-2024	2022-2023
	KShs	KShs
Gender Sensitive & Human Resource Development		0
Workshop and Seminars	9,610,620	6,117,741
Publicity& Information Dissemination	3,413,803	2,311,265
Regulatory functions	74,259,558	53,268,532
Water abstraction system expenses	6,298,650	8,510,917
WRUA's Establishment and Support	16,441,041	22,072,571
Catchment Management Strategy	1,771,175	2,862,120
Catchment monitoring plan-other activities	8,023,691	13,211,485
Catchment monitoring, Protection,& other water resources mgt measures	176,398,043	149,635,059
Preventive Water Resources Mgt. Measures	0	1,048,700
Feasibility study and project design	315,000	0
Water Quality Laboratory capacity enhancement	177,600	32,445
Roof Catchment Structures	1,204,272	137,402
Project Planning and Supervision	981,100	1,675,500
Rehabilitation of Water Monitoring Stations	7,449,530	10,506,718
KWSCRIP activities	180	57,031,522
HOAGW4RP	56,936,564	
<b>Total</b>	<b>363,280,827</b>	<b>328,421,977</b>

**15. FINANCE COSTS**

Description	2023-2024	2022-2023
	KShs	KShs
Borrowings (amortized cost)*	10,092,709	10,092,709
Finance leases (amortized cost)		
Unwinding of discount		
Interest on Bank overdrafts		
Interest on loans from commercial banks		
<b>Total finance costs</b>	<b>10,092,709</b>	<b>10,092,709</b>

\*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalization as per IPSAS 5: on borrowing costs. This cost relates to interest payable on NRM loan.

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**16. CASH AND CASH EQUIVALENTS**

Description	2023-2024	2022-2023
	KShs	Kshs
Bank Current accounts	164,085,448	88,329,589
Cash in hand	0	266
E-citizen Account	26,977,460	377,315
<b>Total cash and cash equivalents</b>	<b>191,062,908</b>	<b>88,707,170</b>

**16 (a). DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS**

Financial institution	Account number	2023-2024	2022-2023
		KShs	KShs
a) Current account			
KCB- Athi Catchment Area-Mombasa	1106580001	11,105	412,769
National Bank of Kenya-HQ Nairobi	0100332099000	296,692	38,319,964
KCB-Athi Catchment Area-Machakos-General	1106448626	436,415	1,129,783
KCB- Athi Catchment Area-Nairobi Sub Region-KWSP	1102550973	54,769	352,926
KCB- Athi Catchment Area-Kibwezi Sub Region-KWSP	1102832561	11,583	104,854
KCB- Athi Catchment Area-Kiambu Sub Region –KWSP	1101981598	111,917	107,643
KCB- Athi Catchment Area-Loitoktok Sub Region-KWSP	1117354792	58,661	6,281
KCB- Athi CatchmentS Area-Machakos-Revenue	1106233980	1,509,513	16,451,553
KCB-Tana Catchment Area-Embu-General	1102960209	2,256	9,436
KCB-Tana Catchment Area-Meru Sub Region-KWSP	1103304062	24,060	404,496
KCB-Tana Catchment Area-Kerugoya Sub Region-KWSP	1104078783	4,544	82,302
KCB-Tana Catchment Area-Kitui Sub Region-KWSP	1121495869	3,548	10,837
KCB-Tana Catchment Area-Murang'a Sub Region-KWSP	1107235472	4,127	26,692
KCB-Tana Catchment Area-Garissa Sub Region-KWSP	1107841909	59,351	25,153
KCB-Ewaso Nyiro Catchment Area-Nanyuki-General	1103184628	43,141	58,764
KCB-Ewaso Nyiro Catchment Area-Nanyuki Sub Region-KWSP	1103189786	5,437	200,996
KCB-Ewaso Nyiro Catchment Area-Mandera Sub Region-KWSP	1103979108	747	2,374

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KCB-Ewaso Nyiro Catchment Area-Marsabit Sub Region-KWSP	1102669059	2,259	3,845
KCB-Ewaso Nyiro Catchment Area-Nyahururu Sub Region-KWSP	1102173134	12,579	450,552
KCB-Ewaso Nyiro Catchment Area-Isiolo Sub Region-KWSP	1107754755	32,080	160,903
NBK-Rift Valley Catchment Area-Nakuru-General	01003020443300	17,471	31,772
KCB-Rift Valley Catchment Area-Nakuru-KWSP	1101853697	0	2,808
KCB-Rift Valley Catchment Area-Baringo Sub Region-KWSP	1103750909	252,367	98,233
KCB-Rift Valley Catchment Area-Kapenguria Sub Region-KWSP	1106272730	51,394	7,213
KCB-Rift Valley Catchment Area-Narok Sub Region-KWSP	1102025720	78,728	3,704
KCB-Rift Valley Catchment Area-Lodwar Sub Region-KWSP	1107588286	8,387	6,653
KCB-Rift Valley Catchment Area-Naivasha Sub Region-KWSP	1105274195	65,093	90,563
KCB-Lake Victoria North Catchment Area-Kakamega-General	1101946644	21,350	8,857
KCB-Lake Victoria North Catchment Area-Siaya SubRegionKWSP	1106904591	1,427	419,055
KCB-Lake Victoria North Catchment Area-Eldoret Sub-Region KWSP	1107762480	1,476	1,907
KCB-Lake Victoria North Catchment Area-Kitale Sub Region KWSP	1109121865	1,646	369
KCB-Lake Victoria South Catchment Area-Kisii Sub Region-KWSP	1102024740	28,737	2,552
KCB-Lake Victoria South Catchment Area-Kisumu Sub Region-KWSP	1103994050	6,336	83,557
KCB-Lake Victoria South Catchment Area-Kericho Sub Region-KWSP	1103619098	599	526
KCB-General Operations A/C – HQ Nairobi	11366676678	82,282,490	11,754,369
KCB-Revenue A/C –HQ Nairobi	1109066295	4,306,991	456,228

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NBK-Lake Victoria South Catchment Area- Kisumu – General	0100324733700	942	3,384
KCB-Lake Victoria South Catchment Area-Kisumu-Revenue	1104037513	34,015	109,855
KCB-Lake Victoria North Catchment Area-Kakamega-Revenue	1101923040	295,344	3,115,184
KCB-Rift Valley Catchment Area-Nakuru-Revenue	1101852062	314,663	163,519
KCB-Ewaso Nyiro Catchment Area-Nanyuki	1103187198	2,845	13,574,145
KCB- Tana Catchment Area- Embu	1102962643	156,254	65,494
Equity Bank –KWSCRPIU Account	0269867060	159,267	7,519
Sidian Bank-HOAFW4RP	010037100001257	73,312,842	
		<b>164,085,448</b>	<b>88,329,589</b>
(b) Others			
E-Citizen Account		26,977,460	
Cash in Hand			
Cash in Hand Athi Catchment area			266
cash in hand Total			
M pesa			
Athi CA			227,315
ENNCA			150,000
Sub- total			377,315
Grand total		<b>191,062,908</b>	<b>88,707,170</b>

**17. RECEIVABLES FROM EXCHANGE TRANSACTIONS.**

Description	2023-2024	2022-2023
	KShs	KShs
Current receivables		
General Debtors	2,483,841,890	2,776,044,485
<b>Less</b> Provision for bad debts	(248,384,189)	(277,604,448)
Total receivables	<b>2,235,457,701</b>	<b>2,498,440,036</b>

These are amounts owed to the Authority by various water users where majority of them are government institutions such as water service providers.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2023-2024	2022-2023
	KShs	KShs
Current receivables		
Staff Advances	2,811,237	2,746,904
Deposits	1,274,821	1,274,821
Transfers from Government	219,833,332	167,800,000
	<b>223,919,390</b>	<b>171,821,725</b>

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

**19 a PROPERTY, PLANT AND EQUIPMENT**

FY2022/23

Cost	Buildings	Furniture & Fittings and Office Equipment	Motor vehicles	Computers, Printers & IT Equipment	Water Supply Infrastructure	Capital Work In Progress	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
	10%	12.5%	25%	33%	2.5%	0%	
As at 1st July 2022	393,706,080	323,190,271	214,018,735	160,573,720	33,262,521	0	1,124,751,327
Adjustments	0	0	0	0	0	0	0
Additions	0	108,200	2,900,000	9,394,340	0	0	12,402,540
Disposals/ W/O	0	0	0	0	0	0	0
As at 30 June 2023	393,706,080	323,298,471	216,918,735	169,968,061	33,262,521	0	1,137,153,867
Depreciation							
As at 1st July 2022	284,913,615	270,678,094	194,241,569	145,541,876	4,965,514	0	900,340,668
Adjustments							0
Charge for the year	33,391,591	6,517,042	6,845,084	2,477,495	735,037	0	49,966,249
Disposals	0	0	0	0	0	0	0
As at 30 June 2023	318,305,206	277,195,136	201,086,653	148,019,371	5,700,551	0	950,306,917
Net Book Value 30 June 2023	75,400,874	46,103,334	15,832,082	21,948,690	27,561,970	0	186,846,950
Net Book Value 30 June 2022	108,792,465	52,512,176	19,777,167	15,031,844	28,297,007	0	224,410,659

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

**FY2023/24**

Cost	Buildings	Furniture & Fittings and Office Equipment	Motor vehicles	Computers, Printers & IT Equipment	Water Supply Infrastructure	Capital Work In Progress	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
	10%	12.5%	25%	33%	2.5%	0%	
As at 1st July 2023	393,706,080	323,298,471	216,918,735	169,968,061	33,262,521	0	1,137,153,867
Adjustments	0	0	0	0	0	0	0
Additions	0	29,076,200	61,242,425	9,153,000	0	0	99,471,625
Disposals/ W/O	0	0	(65,622,587)	0	0	0	-65,622,587
As at 30 June 2024	393,706,080	352,374,671	212,538,573	179,121,061	33,262,521	0	1,171,002,906
Depreciation							
As at 1st July 2023	318,305,206	277,195,136	201,086,653	148,019,371	5,700,551	0	950,306,917
Adjustments	0	0	0	0	0	0	0
Charge for the year	16,603,041	7,529,989	12,926,798	6,512,099	719,728	0	44,291,655
Disposals	0	0	(65,622,587)	0	0	0	(65,622,587)
As at 30 June 2024	334,908,247	284,725,125	148,390,864	154,531,470	6,420,279	0	928,975,985
Net Book Value 30 June 2024	58,797,833	67,649,546	64,147,709	24,589,591	26,842,242	0	242,026,921
Net Book Value 30 June 2023	75,400,874	46,103,334	15,832,082	21,948,690	27,561,970	0	186,846,950

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

**19 b. INTANGIBLE ASSETS-SOFTWARE**

Description	2023-2024	2022-2023
	KShs	KShs
Cost		
At beginning of the year 1 <sup>st</sup> July 2023	245,326,893	111,549,715
Additions	1,627,866	133,777,178
At end of the year June -2023	246,954,759	245,326,893
Amortization		0
At beginning of the year	148,760,978	102,799,333
Amortization Charge for the Year	48,568,033	45,961,645
As at 30 June 2024	197,329,011	148,760,978
<b>NBV end of the year June 2024</b>	<b>49,625,748</b>	<b>96,565,915</b>

**20. DEPRECIATION AND AMORTIZATION EXPENSE.**

Description	2023-2024	2022-2023
	KShs	KShs
Property, plant and equipment	44,291,655	49,966,249
Intangible assets	48,568,033	45,961,645
<b>Total depreciation and amortization</b>	<b>92,859,688</b>	<b>95,927,894</b>

**21. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS.**

Description	2023-2024	2022-2023
	KShs	KShs
Trade Creditors-	1,497,214,710	1,364,382,392
Other creditors- Net Salary Payable	42,068,901	0
Laboratory Clients Prepayments and Accrued expenses	0	436,960
<b>Total trade and other payables</b>	<b>1,539,283,611</b>	<b>1,364,819,352</b>

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

**22. CURRENT PROVISIONS.**

Description	2023-2024	2022-2023
	KShs	KShs
Provisions	88,535,491	60,709,911
<b>Total provisions</b>	<b>88,535,491</b>	<b>60,709,911</b>

This are payables originating from gratuity payable for the period. Gratuity is payable after the contract period but provided for at the end of financial year.

Description	Leave provision	Gratuity provision	Accrued Expense	Total
	KShs	KShs		KShs
Balance b/d (1.07.2023)	(1,390,655)	62,100,566		60,709,911
Additional Provisions		32,790,724	80,000	32,870,724
Provision utilized		(5,045,144)		(5,045,144)
Change due to discount and time value for money	-	0		-
Transfers from non -current provisions		0		
<b>Total provisions as at 30.6.2024</b>	<b>(1,390,655)</b>	<b>89,846,146</b>	<b>80,000</b>	<b>88,535,491</b>

**23. DEFERRED INCOME**

Description	2023-2024	2022-2023
	KShs	KShs
National government	140,282,490	179,554,369
Transfers from other Governments- KWSCR P	159,267	7,519
HOAGW4RP	73,312,842	
<b>Total deferred income</b>	<b>213,754,600</b>	<b>179,561,888</b>

The deferred income movement is as follows:

	National government	GOK- KWSCR P	HOAGW4RP	Total
Balance brought forward	179,554,369	7,519	0	179,561,888
Additions	248,700,000	151,928	208,885,831	457,737,759
Transfers to Capital fund			78,636,425	78,636,425
Transfers to income statement	287,971,879	180	56,936,564	344,908,623
Other transfers				
<b>Balance carried forward</b>	<b>140,282,490</b>	<b>159,267</b>	<b>73,312,842</b>	<b>213,754,600</b>

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

**24. CAPITAL FUNDS**

This represents capital funds and assets given to the Authority by GOK, development partners. During the period we received support in development and Deployment of e-permitting Kshs 121M from Advanced Metering Infrastructure Project

Description	2023-2024	2022-2023
	Kshs	Kshs
Capital Assets Transfer-GOK	32,262,705	32,262,705
GIZ	4,053,315	4,053,315
Kenya Water and Sanitation Programme	35,349,589	35,349,589
AWF	770,000	770,000
MTAP Fund	50,000,000	50,000,000
KWSCRIP	78,705,254	78,705,254
LAY Volunteers	5,760,000	5,760,000
ADB-AWDA and DAI	17,518,381	17,518,381
AMI -PROJECT	133,856,868	133,856,868
HOAGW4RP	78,636,425	0
<b>Total</b>	<b>436,912,537</b>	<b>358,276,112</b>

**25. BORROWINGS**

Description	2023-2024	2022-2023
	KShs	KShs
Balance at beginning of the period	362,612,300	362,612,300
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the period	0	0
Repayments of domestics borrowings during the period	0	0
<b>Balance at end of the period</b>	<b>362,612,300</b>	<b>362,612,300</b>

The principal amount has been split into two parts; current principal payable as a current liability and long-term borrowing due,

The analyses of both external and domestic borrowings are as follows:

**25(a). Current Liability**

Description	2023-2024	2022-2023
	KShs	KShs
Principal Payable- Current	90,653,075	78,565,998
Interest and penalties	75,695,318	65,602,609
<b>Total</b>	<b>166,348,393</b>	<b>144,168,607</b>

**25(b). Long term Portion**

Description	2023-2024	2022-2023
	KShs	KShs
Long term Loan	362,612,300	362,612,300
Less Current Principal Payable	(90,653,075)	(78,565,998)
<b>Total</b>	<b>271,959,225</b>	<b>284,046,302</b>

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

**26. CASH GENERATED FROM OPERATIONS**

	2023-2024	2022-2023
	KShs	KShs
Surplus for the year before tax	(425,000,813)	(231,324,344)
Adjusted for:	0	
Depreciation	92,859,688	95,927,895
Non-cash grants received	0	
Contributed assets	0	
Impairment	0	
Gains and losses on disposal of assets	0	
Contribution to provisions	27,825,580	12,902,734
Contribution to impairment allowance	0	
Working Capital adjustments	0	
Increase in inventory	0	
Increase in receivables	262,982,335	177,026,344
Increase in deferred income	34,192,712	29,391,118
Increase in payables	174,464,259	23,669,118
Increase in current portion- Loan- Restated	22,179,786	22,179,786
Increase in payments received in advance	(52,097,665)	(142,759,990)
Net cash flow from operating activities	137,405,881	(12,957,339)

**27. FINANCIAL RISK MANAGEMENT**

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. FINANCIAL RISK MANAGEMENT (Continued)

(i) Credit risk (Continued)

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	2,235,457,701	0	0	0
Receivables from non- exchange transactions	223,919,390	0	0	0
Bank balances	191,062,910	0	0	0
<b>Total</b>	<b>2,650,440,001</b>	<b>0</b>	<b>0</b>	<b>0</b>
At 30 June 2023				
Receivables from exchange transactions	2,498,519,512	0	0	0
Receivables from non exchange transactions	171,821,725	0	0	0
Bank balances	88,707,169.51	0	0	0
<b>Total</b>	<b>2,758,968,931</b>	<b>0</b>	<b>0</b>	<b>0</b>

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from water sector institutions.

The Management Board sets the entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. FINANCIAL RISK MANAGEMENT (Continued)

(ii) Liquidity risk management (Continued)

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade payables			1,539,283,611	1,539,283,611
Current portion of borrowings			166,348,393	166,348,393
Provisions			0	0
Deferred income	213,754,600		0	213,754,600
Employee benefit obligation			0	0
<b>Total</b>	<b>213,754,600</b>		<b>1,705,632,004</b>	<b>1,919,386,604</b>
At 30 June 2023				
Trade payables			1,364,819,352	1,364,819,352
Current portion of borrowings			144,168,607	144,168,607
Provisions			0	0
Deferred income	179,561,888		0	179,561,888
Employee benefit obligation	<b>179,561,888</b>		<b>1,508,987,959</b>	<b>1,688,549,847</b>

(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
27. FINANCIAL RISK MANAGEMENT (Continued)

iv) Capital Risk Management

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

	2023-2024	2022-2023
	Kshs	Kshs
Revaluation reserve		
Retained earnings	225,298,811	650,799,624
Capital reserve	436,912,537	358,276,112
<b>Total funds</b>	<b>662,211,348</b>	<b>1,009,075,736</b>
Total borrowings	362,612,300	362,612,300
Less: cash and bank balances	(191,062,908)	(88,707,170)
Net debt/(excess cash and cash equivalents)	171,549,390	273,905,130
<b>Gearing Ratio</b>	<b>25.9</b>	<b>27.10</b>

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

**28. RELATED PARTY BALANCES**

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Management Board;

	2023-2024	2022-2023
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of goods		
Sales of services		
Total		
b) Grants from the Government		
Grants from National Govt	902,908,622	685,408,881
Grants from County Government		0
Donations in kind	78,636,425	0
<b>Total</b>	<b>981,545,047</b>	<b>685,408,881</b>
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees		
Payments for goods and services for xxx		
Total		
d) Key management compensation		
Directors' emoluments	20,157,839	13,340,010
Compensation to the CEO	4,880,664	4,560,000
Compensation to key management	10,893,600	7,262,400
<b>Total</b>	<b>35,932,103</b>	<b>26,146,146</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

File Ref.	Particulars	Brief Facts	Contingent Liability FY 2023/24
WRA/4/106	HCCC NO. 754 OF 2012 Juanco Contech Ltd vs. WRMA	Suit alleging breach of contract by WRMA in failing to pay fully for construction works of certain office premises.	Kshs. 26,213,025.83
WRMA/HQ/LA /1/12/1/1	Nairobi JR No 69 Of 2014: WRMA V Commissioner For Co-Operative Development & Another	The Commissioner of Cooperative's irregularly issued Agency Notices freezing all the Bank Accounts operated by the Authority on the alleged grounds that the Sacco dues belonging to <i>Ukulima Sacco</i> had not been paid. Upon the Authority's instructions, we moved to court and obtained orders staying the operation of the Agency Notices. Suit withdrawn.	Outstanding arrears of Kshs.34,112,444 to <i>Ukulima Sacco</i> and half of the costs incurred by <i>Ukulima Sacco</i> in the case once assessed by court. (this can be estimated at Kshs.750,000)
WRA/4/32	HCCC No. 319 of 2013 WRMA VS. Nairobi City Water & Sewerage Company	Claim for Water Use Charges	Legal fees of Kshs. 26,341,423.00
WRA/4/137	Nairobi CMCC 8241 of 2018: Optace Limited vs. WRA & Others.	Suit alleging breach of contract by WRA in failing to pay fully for items ordered for and not paid for under an LSO.	Kshs. 1,624,232.00

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WRA/4/87	CHR No. 11 of 2018:	Claim for lifting of WRA Order for demolition of 8 houses falling within riparian reserve of Stony Athi River	Although the Petitioner seeks an award of Kshs 466, 955, 673.00 in special damages, this is not likely to be awarded since a claim for special damages must be specifically pleaded in court Pleadings and strictly proved.
WRA/4/157	Superior Homes PLC vs. WRA Machakos ELC, Judicial Review Misc. 2 of 2020: Erdemann Property Ltd vs Export Processing Zone & 2 Others and London Distillers (K) Ltd & 3 Others	A Judicial Review matter filed by Erdemann Limited against several institutions with main contention being the discharge of effluence into the environment by London Distillers (K) Limited	Pending determination
WRA/4/161	Kajiado (ELC), Constitutional Petition No. E003 of 2021: Hon. Peter Ole Tirishe & 2 Others v Tata Chemicals Magadi Limited & 2 Others	Constitutional Petition by the Petitioners on behalf of Mosiro Ward In Kajiado West contending that the diversion of River Kisamis into Ordorko Swamp and construction of dyKshs by Tata Chemicals was done illegally and without regard to the environmental impact on the affected parties.	WRA has been sued in these proceedings on the basis of permits issued. It is unlikely that the petitioners will succeed against WRA in the petition since they have not demonstrated that WRA breached their constitutional rights

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WRA/4/162	Nyahururu (ELC) Pt. no. 120 of 2019: David Wang'ombe Karanja & 2 others vs County Government of Laikipia & 3 others	Suit seeking injunctive orders against the 1 <sup>st</sup> Defendant. Furthermore, there is an order sought directing WRA to protect the wetlands within the jurisdiction of the County Government of Laikipia, and particularly, the suit properties L.R LAIKIPIA/UASO NAROK B/51, L.R LAIKIPIA/UASO NAROK B/69 and L.R LAIKIPIA/UASO/NAROK/1381	Pending determination
WRA/4/163	Migori (ELC) Petition No. E4 of 2020: Mathew Awuor Dimo & Others v The Hon. AG & 7 Others	Constitutional petition by several residents of Kabondo/Kadumo West Region in Homabay contending that Kendu Bay Water Project was done without public participation and is affecting the flow of River Awach Kabuony.	Pending determination
WRA/4/164	Machakos (HC) Pt. no. 149 of 2012: Oasis Park Self Help Group vs Joinven Investments Ltd & 2 others	The Applicant seeks to enjoin WRA as a party to the suit for the purpose of enforcement of a court order	WRA is enjoined as an interested party hence no adverse orders may be issued against it
WRA/4/166	Nairobi [ELC] Constitutional Pt. no. E0107 2021: Sultan Palace Development Limited Vs. WRMA- Albright Holdings Limited[ interested party]	Gazettement of Dik Dik Gardens as a wetland.	Pending determination
WRA/4/167	In The National Environment Tribunal Appeal No. 9 of 2021. Westlands Garden Limited Vs. NEMA – WRA and Westlands Cottage Apartments Limited(Magnate Ventures Limited)	Sinking of boreholes too close together	Pending determination

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WRA/4/169	In The Environment and Land Court at Nairobi. Petition No. E031 of 2021: Lone Tree Limited Vs. The Water Resources Authority	Demolition of development by the petitioner on parcel of land <i>L.R No. 21/1/22</i>	Pending determination
WRA/4/172	In the High Court of Kenya at Nairobi. Petition No. 184 of 2020: Legal Advice Centre & 3 others vs WRA & 9 others	The Petitioners allege that the Respondents have failed to take adequate steps towards the realization of the right to water by failing to provide the residents of Marsabit County with safe water.	Pending determination
WRA/4/173	In The Environment and Land Court at Nyeri. ELC Case no. 15 of 2021: Richard Maina Mwangi & Another vs Phares Kabugu Njogu & Others	The Plaintiffs are seeking orders restraining Ragati River WRUA from interfering with the Plaintiffs' water intake situated at Gichichi River and converting it into a common intake for other water projects.	Pending determination
WRA/4/174	In the Environment and Land court of Kenya at Kisumu. ELC Petition No. E022/2021: Calvin Oluoch Olang' & 18 others vs. Lake Victoria south water works & 7 others	The Petitioner alleges that Lake Victoria South Water Works Developments Agency Limited is implementing the construction of a Kshs. 7.5 billion wastewater treatment plant in Korando, Kisumu County without following due process.	Pending determination
WRA /4/175	In The Environment and Land Court at Mombasa. ELC Petition No. 50 of 2021: Ainea Ragen & Anwaral Brothers and others vs Chief land registrar & others.	The Petitioner alleges that the 1 <sup>st</sup> Respondent has encroached a wetland and constructed permanent structures on it. The petitioner also alleges that the authorizations issued by various state agencies were done so irregularly.	Pending determination

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WRA/4/176	In the High Court at Garissa. Petition No. 09/2021: Hoko and Shalete Shallow Wells Co-Operative Society Ltd vs WRA & Others	The petitioner is seeking conservatory orders restraining Wajir Water, Sewerage & Sanitation Co. Ltd from drilling, proceeding to drill and/or operate the boreholes in Lan Bib South, Umbi, Rifed and Shalete or Wajir South within Wajir County.		Pending determination
WRA/4/116	Joseph Gitau Mwangi & Ano. Vs. WRMA. ENV. Law Div. 460/2010	Case arose out of an order by WRMA demanding that the Plaintiff demolish the wall he had constructed on the riparian way leave on the lower Mbagathi River.	Prof. Albert Mumba & Co. Advocates	Pending hearing and determination
WRMA/HQ/LA /1/12/12	NET/128 of 2014: Wilson Munguti & Others vs. WRMA & Others	Suit against issuance of Licence issued by NEMA and Authorization issued by WRMA to NIB in respect of rehabilitation and expansion of Kiboko Irrigation Development Project.	Rachier & Amollo Co. Advocates	Pending. Tribunal invites parties to address it on the issue of costs under rule 39 of its rules of procedure on a date to be agreed.
WRMA/HQ/LA /1/12 /2/34	Const. Petition No. 35 OF 2015: WRMA vs. EPZA & NEMA (I.P)	WRMA filed the suit to enforce Constitutional Rights and stop further pollution by Export Processing Zones Authority	Prof. Albert Mumba & Co. Advocates	Pending settlement.
WRMA/HQ/LA /1/12 /2/33	Malindi HCCC No. 28 of 2013 WRMA v Kensalt Limited	Claim for Kshs.270,295,759 outstanding water use charges for the period between 1/10/2007 and 31/9/13 accruing from abstracting sea water in Malindi for extracting salt.	Prof. Albert Mumba & Co. Advocates	Pending: WRA sought to amend its claim from the initial claim of Kshs.270,295,759 to 1,546,489,612. The court allowed this application. The case is pending determination

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WRMA/HQ/LA /1/12/2/33	Malindi HCCC No 26 of 2013 WRMA V Krystalline Salt Limited	Claim for outstanding water use charges for the period between 1/10/2007 and 31/9/13 accruing from abstracting seawater in Malindi for extracting salt. Judgement entered in favour of WRMA in 2013.	Prof. Albert Mumba & Co. Advocates	The Court of Appeal entered judgment in favour of WRA in the sum of Kshs.185,500,000 plus simple monthly interest of 2% making the total award plus interest payable to WRA by Krystalline Salt Limited to be the sum of Kshs.649,385,000 as of February 2024
WRMA/HQ/LA /1/12/2/33	Malindi HCCC No 27 of 2013 WRMA v Malindi Salt Works	Claim for Kshs.7,564,075/- outstanding water use charges abstracted from the Indian Ocean for extracting salt for the period between 1/10/2007 and 31/9/13	Prof. Albert Mumba & Co. Advocates	Pending determination
WRMA/30/MSA /3HD2/10936/S/ 1/12/2/33	Malindi HCCC No 29 of 2013 WRMA V Kemu Salt Packers Production Limited	Claim for Kshs.11,897,524.80 outstanding water use charges for the period between 1/10/2007 and 31/9/13 accruing from abstracting seawater in Malindi for extracting salt.	Prof. Albert Mumba & Co. Advocates	Pending determination
WRA/4/107	Nairobi ELRC Cause No.230 of 2016: Michael Muriuki Muturi vs. WRMA	Suit challenging transfer from one station to another.	Prof. Albert Mumba & Co. Advocates	Pending hearing and determination
WRA/4/91	CHR NO.13 of 2018: Justice and Environment Foundation & 6 Others Vs Water Resources Authority & 8 Others	Claim for compensation for damages caused by the collapse of Solai dam	Prof. Albert Mumba & Co. Advocates	Pending hearing and determination
WRA/4/134	ELC No. 77 of 2018: Easthaven	Construction of (Brooklyn Springs Apartment L.R NO.	AG's office (Ms.	Instructions to State Counsel sent;

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	Development Ltd Vs WRA and 2 Others	4857/121) on Riparian Land	Ruth Kerubo is on record)	matter is pending before court.
WRA/4/23	Civil Appeal NO. 9 of 2015: WRMA Vs Kensalt Ltd	Claim for Kshs.270,295,759.00 outstanding water use charges and permits fees.	Prof. Albert Mumba & Company Advocates	Pending determination
WRA/4/17	Mombasa HCCC. NO. 151 of 2012: WRMA Vs Coast Water Services Board	Claim for outstanding water use charges and permits fees in respect of the Mzima, Marere Springs, Baricho, Tiwi boreholes against CWSB.	Prof. Albert Mumba & Company Advocates	Consent recorded. Payments to be pursued/decreed enforced
WRA/4/28	Constitutional petition No. 90 of 2016: LSK Vs WRMA & 6 Others	Seeking conservatory order in respect to construction of works on the suit property	Prof. Albert Mumba & Company Advocates	Pending hearing and determination of petition
WRA/4/90	NAIROBI ELC 317 OF 2018 (CONSOLIDATED WITH ELC 320 OF 2018) DIPENKUMAR MAVAN & 5 OTHERS – DIKDIK GARDENS RESIDENTS ASSOCIATIONS VS SULTAN PALACE DEVELOPMENT LTD & OTHERS	Encroachment of a wetland	Chenge Busiku & Company Advocates	Pending determination
WRA/4/85	Nakuru Const. Petition No.8 of 2018: Peter Mbae Vs. Nema & 5 Others	Constitutional orders for restoration of the environment and environmental audit following collapse of Solai dam.	Prof. Albert Mumba & Company	<ul style="list-style-type: none"> <li>• Interlocutory applications abandoned</li> <li>• Pending hearing and determination of petition</li> </ul>

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			Advocates	
WRA/4/86	Nairobi J.R Appl. 45 of 2018: R.Vs PS, Ministry of Transport, Infrastructure Housing & Urban Devt & 3 Others Ex. P Nishapa Investment Limited	JR orders seeking to quash notice by a multi-sectoral consultative committee from various government agencies issued for demolition of development lying on riparian land (Nairobi river riparian)	Garane & Somane Advocates	Pending hearing and determination
WRA/4/177	Nairobi ELC 514/2018: Mosiara Trading Company vs AG & 4 Others	Claim for recovery of damages of Kshs. 45.2 billion as a result of demolition of property on riparian land (T-Mall) along Mbagathi Way Nairobi	Janet Olewe/Tacey Makori	Pending determination
WRA/4/114	HCC No. 375 of 2009: CFC Standard Bank Limited vs Nivina Investment Limited & Anor	Appeal against WRMA's decision to give authorization to Nivina to drill borehole near appellant's borehole.		Judgment has been pending since 2011 due to lack of members at the Water Appeals Tribunal.
WRA/4/89	Machakos MISC. Civil Application No. 192 of 2018: Superior Homes (Kenya) Limited vs. Water Resources Authority & 9 Others	Claim for lifting of WRA Order for demolition of 8 houses falling within riparian reserve of Stony Athi River	CFL Advocates	Pending taxation of bill of costs
WRA/4/138	Kerugoya ELC No. 36 of 2018: Saweria Gichobi Vs WRA, NEMA & Others	Construction of Irrigation works contrary to the permit	Ngaywa & Kibet Partners LLP	Pending hearing and determination
WRA/4/139	Nairobi ELC Const. PT No. 2 of 2019: Kental Enterprises Ltd Vs The Attorney General & 4 Others	Illegal demolition of construction works on riparian land	Prof. Albert Mumba & Co. Advocates	Pending hearing and determination of petition

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WRA/4/123	Nairobi H.C No. 380 of 2018: Hon Governor John Mbugua & 6 Petitioner vs.Hon Attorney Gen & 15 Others	Claim for compensation to the disabled as a result of Sarova Stanley Nairobi and other developments closing up foot paths thereby inconveniencing persons with disability	Attorney General's office	Pending hearing and determination
WRA/4/149	Makueni (ELC) Pt. No. 13B (Formerly Nairobi Pt. No. 45 Of 2019): Kiboko WRUA vs. KPC, NEMA, WRA, & ERPRA	Suit seeking various orders of injunction and environmental restoration following the oil spillage from KPC oil infrastructure in Kiboko.	Tacey Makori	1st Respondent filed a Preliminary Objection. Ruling on the Preliminary Objection shall be on notice
WRA/4/154	Makueni (ELC) Pt. No.15 of 2019: Rufus Mulatya Muathe & 52 others vs. KPC, NEMA, WRA	Suit seeking various orders of injunction and environmental restoration following the oil spillage from KPC oil infrastructure in River Thange	Tacey Makori /Janet Olewe	Pending determination
WRA/4/155	Nairobi ELC Case No. 128 of 2019: Skeeter Kwamboka vs WRA	Construction on the water channel on Sabaki River	Tacey Makori /Janet Olewe	Pending determination
WRA/4/159	MCCMMSU E252/2020: Lavington Security Services LTD -VS Water Resources Authority	The Authority has allegedly defaulted in payment of Kshs kshs.7,552,902.55/= to the Plaintiff who agreed to offer various security services to the Authority	Chenge , Busiku Advocates	The matter is yet to be set down for a pre-trial conference
WRA/4/178	PETITION NO. E009 OF 2021 Justice and Environment Foundation and 6 others Vs Perry Mansukh Kansagra & 12 others	Illegally and irregularly constructed man-made dam within the vast patel coffee estate known as Solai farm in solai broke its banks leaving unprecedented death and many more injuries	Tacey Makori / Janet Olewe	Pending determination
WRA/4/179	COURT OF APPEAL AT NAIROBI.CIVIL APPLICATION NO. E094 OF 2022 Sultan Palace Development Limited Vs WRA and Another	An Appeal matter against WRA on Ruling issued in ELC Petition No. E017 of 2021 dated 2nd March,2021 seeking an Injunction against the Ruling pending and determination of the	Tacey Makori /Janet Olewe	Pending hearing notice from the Court of Appeal

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		Application by Court of Appeal		
WRA/4/181	Milimani Commercial CMC Civil Case No.E1489 OF 2022 Charles Mwaura Gachui Vs Water Resources Authority and Another	The Plaintiff's are seeking Temporary Injunction and Conservatory Order against WRA restraining them from entering on the Plaintiff's property and disconnecting his borehole and/or sewer system in relation to a bill disputed dated 4th March, 2022 .	Tacey Makori /Janet Olewe	Pending determination
WRA/4/168	Thika ELC Miscellaneous Application No. EO15 of 2021 Cellini Holdings Limited Vs Blue Nile Rolling Mills Limited and 4 Others	The Applicants are seeking orders against the Respondent (WRA being the 3rd Interested Party) that they be restrained from diverting the stream that is adjacent to his property to the neighbouring properties pending hearing and determination of the Application.	Tacey Makori /Janet Olewe	Pending determination
WRA/4/182	Muranga ELC Petition No.2 OF 2022 Hon. Mary Wamaua and 2 Others Vs Hon Attorney General and 4 Others	The Petitioners are seeking for Conservatory Order against the Respondents (WRA being the 3rd Respondent) restraining them from preventing the Petitioners and Nagami dam community from farming, abstracting and use of dam water and be restrained from uprooting, cutting, destroying or interfering with the Petitioner's split way area adjacent to the dam.	Tacey Makori /Janet Olewe	Pending determination

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WRA/4/183	Milimani Commercial CMC ELC NO. E441 OF 2022 Francis Kahama Vs Nairobi Water & Sewerage Company and WRA	The Plaintiff is seeking an order of injunction against WRA and Nairobi Water restraining them from interfering, disconnecting or removing the measuring device installed in the borehole situated in plot L.R. No. 82/2290 pending hearing and determination of the matter	Tacey Makori /Janet Olewe	Pending determination
WRA/4/185	Milimani Commercial CMC ELC NO.E243 OF 2022 H Young & Co.(EA)Ltd Vs WRA	Plaintiff is seeking Temporary Injunction against the Respondent restraining it from entering, invading, trespassing into the Plaintiff's use of borehole facility situated in Industrial Area Nairobi and Katani Site or disconnecting water pending the hearing and determination of the suit.	Janet Olewe/ Tacey Makori	Pending determination
WRA/4/187	Karatina Civil Case No.84 of 2022 Maina Mwangi and Another Vs Phares Kabugi Njogu & WRA and 4 Others	The Plaintiffs are seeking orders of permanent injunction restraining the Defendants from interfering with the Plaintiffs' water intake situated at Gichichi River and converting it into a common intake for other four(4) water projects	Tacey Makori /Janet Olewe	Pending determination
WRMA/HQ/LA /1/12/2/12	WAB App. No. 1(Wr) 2010 CFC Stanbic Vs. WRMA & Wrma & 3 Others.	Appeal against WRMA's decision to give authorization to Nivina to drill borehole near appellant's borehole.	Prof. Albert Mumba & Co. Advocates	<ul style="list-style-type: none"> <li>• Ruling to be delivered on Notice</li> <li>• Tribunal not constituted.</li> </ul>
WRMA/HQ/LA /1/12/2/17	No.01/WS/WAB/ OF 2008 Kenya Water Project vs.WRMA Tana Catchment Area.	Appeal against the decision of WRMA Tana Catchment to deny the appellant a permit to abstract and supply water from Thambana River	Prof. Albert Mumba & Co. Advocates	<ul style="list-style-type: none"> <li>• Tribunal not constituted.</li> </ul>

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WRMA/HQ/LA /1/12/13	Appeal No 1(WR) of 2012: Rhumba Kinuthia V WRMA Kiambu & Another	Appeal seeks to restrain the respondents from allegedly interfering with the appellants quiet possession over his property plot no. 1488/1489/1490 Kiamumbi farm which he avers is not riparian land	Prof. Albert Mumba & Co. Advocates	Pending • Tribunal not constituted.
WRA/4/101	WAB Appeal No 4WR of 2012 Rumba Kinuthia v WRMA & Another	Appeal challenging the order of WRMA to stop construction works on plot No. L.R. KIAMBU MUNICIPALITY BLOCK 5(KIAMUMBI)/740 located in Kiamumbi, Kiambu area.	Prof. Albert Mumba & Co. Advocates	Pending • Tribunal not constituted.
WRMA/HQ/LA /1/12/1/1	Appeal No. 2 (WR) of 2014: Ryan Properties Ltd V Daniel Odinde & 2 Others	Claim challenging the decision by WRMA inter alia to permit the 1st& 2nd respondents to drill a borehole on their land known as L.R. No. 127678/38 Karen.	Prof. Albert Mumba & Co. Advocates	Pending • Tribunal not constituted.
WRA/4/102	Water Appeal No. 5(WR) of 2014: Abdullahi Alli Farah Vs. Water Resources Authority	Appeal against WRMA's decision to give authorization to drill borehole near appellant's borehole	Prof. Albert Mumba & Company Advocates	Pending hearing due to lack of members at the Water Appeals Tribunal
WRMA/HQ/LA /1/12/2/35	Abdullahi Ali Afrah vs WRMA and Qaire Salem Limited	Suit against issuance of two authorizations by WRMA within a 3 meter radius.	Prof. Albert Mumba & Co. Advocates	Pending hearing upon appointment of members to the Water Appeals Tribunal.
WRA/4/103	Embu WAB Appeal No. 3 of 2011: Lobelia Farms Limited Vs. Water Resources Management Authority & Lucern Self Help Group	Appeal against WRMA's decision to give authorization to Lucern Self Help Group to drill borehole near appellant's borehole	Prof. Albert Mumba & Company Advocates	• The matter was pending Ruling prior to expiry of the term of Appeal Board Members.

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WRA/4/194	Naivasha CMC ELC No. E023 of 2023	The plaintiff is seeking orders compelling WRA to suspend the permit issued to the 1st Defendant with regards to the borehole drilled on land parcel number Naivasha/Mwichiringiri Block 4/3263. The Plaintiff alleges that the borehole in question was drilled on land belonging to the Plaintiff	Janet Olewe/ Tacey Makori	Pending determination
WRA/4/196	Nairobi Petition No. E108 of 2023	The Petitioners are seeking orders against the Respondents that a declaration be issued to declare that the Water Resources Regulations, 2021 were promulgated in violation of Article 10 and 96 of the constitution and Section 11 of the Statutory Instrument Act, 2013. Further, a declaration be issued to declare that the water use charges provided for in Regulation 84 of the Water Resources Regulations, 2021 are exorbitant and unaffordable to the extent of being in violation of the right to clean and safe water in adequate quantities enshrined in Article 43(1)(d) of the Constitution.	Janet Olewe/ Tacey Makori	Pending determination
WRA/4/197	Malindi ELC Petition No. 13 of 2023	The Petitioner is seeking orders that a declaration be issued against WRA and 4 other Respondents that they had no legal justification to enter into the Petitioner's premises situated at Malindi and proceed to destroy the Petitioner's plumbing equipment. Further an order of permanent	Janet Olewe/ Tacey Makori	Pending determination

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		injunction be issued to restraining the Respondents from entering /invading the petitioner premises and in any other manner harassing the Petitioner on grounds that the Petitioner has not complied with the provisions of Water Act, 2016 and compensation for violation of constitutional rights in the form of general damages.		
WRA/4/88	Nairobi ELC Case No. 306 of 2018	The Plaintiffs are seeking an order of permanent injunction restraining WRA and Athi Water Service Board from trespassing or interfering with the Plaintiff's occupation of land	Janet Olewe/ Tacey Makori	Pending determination
WRA/4/199	Nairobi ELC Case E227 of 2023	The Plaintiff is seeking orders of permanent injunction to restrain WRA by themselves, servants and/ or agents from entering, inhibiting, alienating, trespassing or in any way interfering with the Plaintiff quiet use of L.R. No. 7785/83	Janet Olewe/ Tacey Makori	Pending determination
WRA/4/200	HCCOMM. MISC. NO. 312 OF 2019	Miscellaneous Application seeking amongst others, orders to enjoin WRA as an Interested Party to the proceedings. This is on the basis that the Respondents have gone ahead to drill borehole in contravention of subsisting court orders.	Janet Olewe/ Tacey Makori	Pending determination
WRA/4/196	Nairobi Petition No. E108 of 2023 Kenya Water & Sanitation Civil Society Network & 8 Others VS Cabinet Secretary, Ministry	The Petitioners are seeking orders against the Respondents that a declaration be issued to declare that the Water Resources Regulations, 2021 were promulgated in	Janet Olewe/ Tacey Makori	Conservatory orders issued suspending implementation of the water use charges set out in Part B of the

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	of Water, Sanitation & Irrigation & 6 Others	violation of Article 10 and 96 of the constitution and Section 11 of the statutory Instrument Act, 2013. Further, a declaration be issued to declare that the water use charges provided for in Regulation 84 of the Water Resources Regulations, 2021 are exorbitant and unaffordable to the extent of being in violation of the right to clean and safe water in adequate quantities enshrined in Article 43(1)(d) of the Constitution.		second schedule pending hearing and determination of the Petition.
WRA/4/210	Milimani ELC Pet. E035 of 2024 - Chelsea Marina Court Residents Association vs WRA & Others	Demolitions on riparian reserves	Janet Olewe/ Tacey Makori	The case was mentioned on 15th May 2024. the purpose of the mention was to seek directions on the hearing of the 3rd Respondent's application dated 8th May 2024. The Petitioner informed court that he intends to amend the description of the suit property to reflect the 28 titles on which the mother title is indicated.  Court directed parties to explore out of court settlement.

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WRA/4/211	Milimani HC Pet. E245 of 2024 - Kenya Human Rights Commission vs CS Interior & Others	The Petitioner alleges that the Respondents failed in their mandates towards preparing and responding to the floods crisis which resulted in violation of rights under the Constitution of Kenya	Janet Olewe/ Tacey Makori	Pending determination
WRA/4/212	Water Tribunal Appeal No. E002 of 2024 - Radheshyam Transport Limited vs WRA	Demolitions on riparian reserves	Janet Olewe/ Tacey Makori	Pending determination
WRA/4/213	Milimani ELCLPET NO. E039 of 2024 - Jannah Properties Ltd vs NEMA & Others	Demolitions on riparian reserves	Janet Olewe/ Tacey Makori	Pending determination
WRA/4/214	Milimani Commercial Case No. MCELC/E206 of 2024 - Delpak Properties Ltd vs WRA	Demolitions on riparian reserves	Janet Olewe/ Tacey Makori	Pending determination
WRA/4/215	Milimani ELCLC No. E204 of 2024 - Mourice Otieno & Others vs WRA & Others	Demolitions on riparian reserves	Janet Olewe/ Tacey Makori	Pending determination
WRA/4/216	Water Tribunal Appeal No. E003 of 2024 - Ephantus Kibe & Another vs WRA	Demolitions on riparian reserves	Janet Olewe/ Tacey Makori	Pending determination
WRA/4/217	Milimani ELC Pet. No. E047 of 2024 - Kamal Mechanical Engineering Ltd vs NEMA & Others	Demolitions on riparian reserves	Janet Olewe/ Tacey Makori	Pending determination

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WRA/4/218	Milimani ELCLC No. E227 of 2024 - Robert Karume Mahui & Another vs WRA	Demolitions on riparian reserves	Janet Olewe/ Tacey Makori	Pending determination
WRA/4/219	Milimani ELC No. EPCC E008 of 2024 - Cape Suppliers Ltd vs CS Interior & Others	Demolitions on riparian reserves	Janet Olewe/ Tacey Makori	Pending determination

**30. DIVIDENDS/SURPLUS REMISSION**

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The authority did not make any surplus during the year and hence no remittance to the Consolidated Fund.

**31. EVENTS AFTER THE REPORTING PERIOD**

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

**32. ULTIMATE AND HOLDING ENTITY**

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of water and Sanitation. Its ultimate parent is the Government of Kenya.

**33. Currency**

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

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**20. Appendices**

**Appendix 1: Progress on follow up of Auditor Generals' Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1. Property Plant and Equipment Kshs 186,846,950	<p>The statement of financial position reflects property, plant, and equipment balance of Kshs.186,846,950 as at 30 June, 2024 and as disclosed in Note 20 to the financial statements. However, the amount excludes value of land owned by the authority. Further the ownership documents for the land were not provided</p> <p>Consequently, the accuracy and completeness of the property, plant and equipment balance of Kshs. 186,846,950 as at 30 June, 2024 could not be confirmed.</p>	<p><i>We concur with the observation that we has unvalued parcels of land across the Country on which Water Resources Authority has put various developments is excluded from property, plants and equipment. Currently land for most of the offices has been demarcated and fenced off and ownership acquisition process is ongoing at county physical planning offices</i></p>	On going	June 2026
2. Receivables from Exchange Transactions	<p>The statement of financial position reflects receivables from exchange transactions balance of Kshs.2,498,440,036 as disclosed in Note 18 to the financial statements. Although the Management provided for a general provision of 10% amounting to Kshs. 277,604,448, the general provision for bad debts for the period under review appears inadequate for the growing long outstanding receivables from exchange transactions owing to failure to make a provision for specific bad debts. Further, the Authority has not adhered to its own debt collection policy which requires debts to be recovered as when they fall due and outstanding debts should be stated as nominal value less provisions of 10% and 50% for debts older than 8 and 12 months respectively.</p> <p>In the circumstances, the completeness and recoverability of the receivables from exchange transactions balance of</p>	<p><i>WRA management has instituted several mechanisms in debt recovery apart from providing for bad debts; -The management engaged a debt collection agent (Earth view management ltd in Joint Venture with Kenya Airport Parking Services) with effect from 1st September, 2023 Vide Contract Number WRA/T/09/2022-2023 for provision of debt collection services.</i></p>		June 2026

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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)
	Kshs.2,498,440,036 could not be confirmed.			
3. Long Outstanding Trade and other Payables	<p>The statement of financial position reflects trade and other payables from exchange transactions amounting to Kshs.1,364,819,352 as further disclosed in Note 21 to the financial statements. The amount includes payables in respect of Pay as You Earn (PAYE), Water Resources Authority Pension and National Social Security Fund amounting to Kshs.640, 115,417, Kshs.512,234,545 and Kshs.1,438,280, respectively, all totalling Kshs.1, 153, 788,242 which had not been remitted.</p> <p>Further, the amount includes audit fees amounting to Kshs.5,830,633 which has been outstanding for long.</p> <p>Delayed remittance of statutory deductions will attract interest and penalties.</p>	<p>The above observations have been noted. WRA endeavors to clear its financial obligations on time but in the matter above, especially Paymaster and WRA pension dues; they relate to prior years before August 2016. During the year 2022/23, WRA settled a debt of Kshs 3,000,000 relating to audit fees therefore reducing the debt to kshs 5,830,633. WRA has negotiated with Pension Administrator on a payment plan for the past debt and has written to national treasury on the Waiver of the past PAYE.</p>	Not resolved	June 2026 subject to the passage of Water use regulations by parliament
4. UnService d Long Term Loan	<p>The statement of financial position reflects current portion of borrowing and Long-term loan of Kshs.144,168,607 and 284,046,302 respectively as reflected in Note 25 to the financial statements. The loan relates to an on-lent loan from the Government of Kenya arising from a credit granted by the World BANK (IDA) earmarked for Natural Resources Management (NRM) Project with various effective dates of repayments starting 30 March 2017. Although the repayment fell due, the Authority has not started repaying the loan yet, hence the loan is accruing</p>	<p>The long term loan of <b>Kshs 362,612,300/=</b>, was on-lent from the Government of Kenya out of proceeds of World Bank(IDA) credit and was earmarked for Natural Resources Management (NRM) Project in 2007. The loan is being repaid by the National Treasury on behalf of the</p>	Not resolved	June 2026 subject to the passage of Water use regulations by parliament

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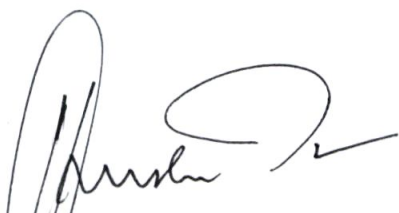
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>interest and penalties every year. Current portion of borrowing is Kshs.78, 565,998 (principal amount), and Kshs.65, 602,609 interest and penalties.</p> <p>Further, delay in repaying the loan means more accruing interest and penalties to the Authority due to compounding of penalty at 2% per annum of the outstanding balance as per the loan agreement.</p>	<p><i>Government of Kenya to the lender, WRA through a subsidiary agreement WRA is supposed to be paying the National Treasury the amounts for the Installments for the Loan Principal and Interests.</i></p> <p><i>Due to limitation of resources and underfunding, WRA has not been a position to repay the loan and has made several communications to the Parent Ministry and National Treasury with regard to the Matter where WRA had written to the PS Ministry of Water and Sanitation &amp; Irrigation and the Investment Secretary at National Treasury informing them of the inability to pay since WRA is a non-commercial government agency and had therefore requested for the financial support in repayment or waiver of the facility. Further WRA had requested for a tripartite meeting with the Investments secretary through the PS Ministry of Water and Sanitation to discuss the issue and way forward which is</i></p>		


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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>currently waiting for the feedback.</p> <p>As a way forward in addressing the issue, WRA revised upwards its fees for water use charges as contained in the second schedule of Water Resources Regulation 2021 (Legal Notice NO 170) but its implementation was halted by a court injunction.</p>		
5. Debarment of Implementation of New Water Tariffs	<p>Included in the Use of Goods and Services of Kshs.291,703,384 is legal costs of Kshs.1,843,958. Review of case register maintained by the Authorities' legal department revealed that conservatory orders were issued suspending the implementation of water use charges in the case Nairobi Petition No. E108 of 2023. The Petitioners were seeking orders against the Respondents that a declaration be issued to declare that the Water Resources Regulations, 2021 were promulgated in violation of Article 10 and 96 of the Constitution and Section 11 of the Statutory Instrument Act, 2013.</p>	<p>The above observations have been noted. The conservatory orders issued suspending the implementation of water use charges in the case Nairobi Petition No. E108 of 2023 is beyond the Authority's control. The water use charges as had been provided under the Water Resources Regulations 2021 was stopped. This therefore means that in the period the stay orders by court are in place, WRA is not in a position to generate revenue (A.I.A) from Water Use Charges.</p>	Not resolved	June 2025 subject to the passage of Water use regulations by parliament
6. Budgetary Control and	<p>The statement of comparison of budget and actual on comparative basis reflects budgeting receipts against actual on comparative basis of Kshs.1,675,033,219 and Kshs.1,372,444,466 resulting to under-</p>	<p>The above observations have been noted. Kindly note that WRA's budget was prepared as per the guidelines issued by the</p>	Not resolved	Any time subject to the passage of Water use regulations by parliament

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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)
<b>Performance</b>	<p>collection of Kshs.302,588,753 or 18% of the budget. Similarly, the Authority spent Kshs.1,603,768,810 against budgeted amount of Kshs.1,675,033,219 resulting to under-expenditure of Kshs.71,264,409.</p> <p>The under-collection and under-performance affected the planned activities and may have impacted negatively on service delivery to the public.</p> <p>My opinion is not modified in respect to this matter.</p>	<p><i>national treasury. The estimates are usually realistic but in the report, the under collection is as a result of the court petition that halted implementation of some sections of the Water Resources Regulations 2021 therefore preventing WRA from collecting Water Use charges which is a critical revenue stream. The under expenditure is as a result of controlled spending due to limited income flows and late disbursement of development funds from National Treasury.</i></p>		

  
 CEO WRA  
 Date.....26/09/2024.....

  
 Chairman of the Board

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**Appendix II: Projects Implemented by WRA**

Horn of Africa Groundwater for Resilience (HOAGW4RP)

Horn of Africa Ground Water for Resilience Project is a World Bank funded project executed by the Ministry of Water and Sanitation (MoWSI). Water Resources Authority (WRA) is one of the implementing agencies of the project and has Project Implementation Unit (PIU) within the institution. The PIU reports to the Project Coordinator (PC) of WRA management. The project account and auditing is done at the PIU during the review of various implementing agencies.

Project Title	Project Number	Donor	Period/ duration	Donor commitment ('000 Euros)	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these Financial Statements (Yes/No)
Horn of Africa groundwater for Resilience )	70820 KE	World Bank	6 yrs	40,566	Yes	Yes
Total				40,566		

**Status of Projects completion**

SN	Project	Total project Cost ( Kshs M)	Total expended to date ( Kshs M)	Completion % to date	Budget	Actual	Sources of funds
1	AthiRiver Restoration Progamme	2,500	218	15	170	49	GOK
2	Drilling of Exploratory wells	800	505	62	38	59.5	GOK
3	Development and implementation of SCMPS	1500	344	23	30	7.5	GOK
4	Construction and Rehabilitation of Water monitoring Stations	1,300	299	18	34	8.5	GOK
5	Kikuyu Springs GroundWater Conservation	300	127	43	10	2.5	GOK
6	Lamu GroundWater Conservation	380	200	56	28	14	GOK
7	Water Abstraction and Pollution Controls Surveys	500	307	65	38	19	GOK
	<b>Totals</b>	<b>7,280</b>	<b>1,930</b>		<b>348</b>	<b>160</b>	

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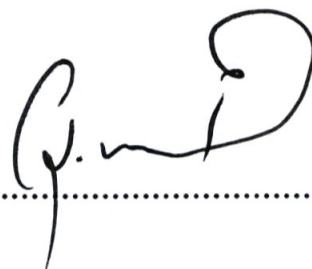
**Appendix III: Inter-Entity Transfers**

<b>ENTITY NAME:</b>		<b>Water Resources Authority</b>		
Breakdown of Transfers from the State Department of Water				
a.	Recurrent Grants	FY 2023/2024		
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		15/08/2023	38,166,667	23/24
		08/09/2023	38,166,667	23/24
		24/10/2023	38,166,667	23/24
		16/11/2023	38,166,667	23/24
		06/12/2023	38,166,667	23/24
		14/02/2024	52,666,666	23/24
		23/02/2024	13,166,667	23/24
		14/03/2024	25,000,000	23/24
		11/04/2024	38,166,667	23/24
		08/05/2024	38,166,667	23/24
		18/06/2024	38,166,333	23/24
		01/07/2024	161,833,332	23/24
		<b>Totals</b>	<b>557,999,999</b>	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		23-02-2024	52,000,000	2023/2024
		05-05-2024	50,000,000	2023/2024
		14-07-2024	58,000,000	2023/2024
		<b>Total</b>	<b>160,000,000</b>	
c.	Other development grants			
		06/12/2023	30,000,000	2023/2024
		20/02/2024	15,000,000	2023/2024
		23/02/2024	21,850,000	2023/2024
		15-03-2024	21,850,000	2023/2024
	HOAGW4RP	09/08/2023	208,885,831	2023/2024
		<b>Total</b>	<b>297,585,831</b>	

I confirm that the amounts shown above are correct as of the date indicated

**Head of Accounting Unit  
Water Resources Authority.**

Name JAMES MBURU

Signature 

Date 26/09/24

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**Appendix IV: Recording of Transfers from other Government Entities**

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KSHS	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific-Opening deferred income	
Ministry of Water and Sanitation- Recurrent grant	FY23/24	Recurrent	557,999,999	557,999,999	0	0	0	0	557,999,999
Ministry of Water and Sanitation & SDL	FY23/24	Development	248,700,000	287,971,879	0	140,282,490	0	(179,554,369)	248,700,000
HOAGW4RP	FY23/24	Development	208,885,831	56,936,564	0	73,312,842	0	0	208,885,831
KWSCRIP	FY23/24	Development	151,928	180		159,267		(7,519)	151,928
<b>Total</b>			<b>1,015,737,758</b>	<b>902,908,622</b>		<b>213,754,599</b>	<b>0</b>	<b>(179,561,888)</b>	<b>1,015,737,758</b>