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OF

THE AUDITOR-GENERAL

ON

**LAKE VICTORIA WATER AND SANITATION
PROJECT - NUMBER CONVENTION
AFD CKE 1093 02M**

**FOR THE YEAR ENDED
30 JUNE, 2021**

**LAKE VICTORIA SOUTH WATER WORKS
DEVELOPMENT AGENCY**





Project Name. LAKE VICTORIA WATER AND SANITATION PROJECT

**Implementing Entity. LAKE VICTORIA SOUTH WATER WORKS DEVELOPMENT
AGENCY**

**PROJECT: GRANT NUMBER CKE 1093 02 M
: CREDIT NUMBER.**

AFD AGREEMENT NO. CKE 1093 01 L

EIB NO. FI N°83890 Serapis N° 2011-0619.

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2021

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

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name

The project's official name is Lake Victoria Water and Sanitation Project.

Objective: The key objective of the project is:

1. Improve the water resource availability
2. Improvement of the Water Distribution Network
3. Improve the wastewater network coverage and wastewater treatment capacity
4. Develop and strengthen the capacity of key stakeholders
5. Improve the water and sanitation coverage in Informal Settlements by focusing on the areas which have recently developed to ensure proper infrastructures for inhabitants
6. Develop and implement strategy to monitor evolution of water and waste water quality

Address

The project headquarters offices are are Lake Victoria South Water Works Development Agency (Kisumu), Kisumu County, Kenya.

The address of its registered office is:

P.O Box 3325-40100
KISUMU

Contacts: The following are the project contacts

Telephone: (254) 572025128
E-mail: info@lvswaterboard.go.ke
Website: www.lvswaterboard.go.ke

1.2 Project Information

Project Start Date:	The project start date is 17th December 2015
Project End Date:	The project end date is 30 th September 2026
Project Coordinator:	The project Coordinator is Mr. Paul Agwanda
Project Sponsor:	The project sponsor is AFD/EIB/EU-AITF

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.3 Project Overview

Line Ministry of the project	The project is under the supervision of the Ministry of Water and Sanitation & Irrigation. .
Project number	GRANT NUMBER CKE 1093 02 M CREDIT NUMBER CKE 1093 01 L and FI N°83890 Serapis N° 2011-0619.
Strategic goals of the project	The strategic goals of the project are as follows: (i) To improve water supply and sanitation distribution network in Kisumu City (ii) To provide a clear strategy for the city and the whole county on Investments to be conducted, associated costs and priorities. (iii) To provide a clear plan for Water Resources, Water and Waste Water Services and infrastructure.
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Improvement of water and sanitation infrastructure. (ii) Developing of Water Resources and Waste water Master plan in Kisumu County under LVWATSAN Project.
Other important background information of the project	The project is a continuation of the Kisumu Water Supply and Sanitation Project funded by AFD in order to continue progress and to sustain water and sanitation management in the city.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) The project was formed to intervene in the following areas: Kisumu City and its environs
Project duration	The project started on 17th December 2015 and is expected to run until 30th September 2026

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.4 Bankers

The following are the bankers for the current year:

- (i) The AFD/ financier is the banker for Grant.
- (ii) Co-operative Bank of Kenya Ltd
- (iii) Kenya Commercial Bank Limited
- (iv) NCBA Kenya PLC

1.5 Auditors

Auditor General

Office of the Auditor General

P.O Box 30084-00100

Nairobi

1.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Mr. Chrispine O. Juma	Chief Executive officer	B.Sc. degree in hydrological	Accounting Officer
Mr. Paul Agwanda	Engineer Water	B.Sc. degree in Civil Engineering	Project Coordinator
Mr. Phelix Okuta	Engineer Water	B.Sc. degree in Civil Engineering	Project Engineer
Rosemary Chelangat	Chief Accountant	BBM Degree, CPA III	Project Accountant

1.7 Funding summary

The Project is for duration of **eleven** years from 2015 to 2026 with an approved budget of 70.0Million Euros (use donor currency) equivalent to KShs 8.18Billion as highlighted in the table below:

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30-06-2021)		Undrawn balance to date	
	Donor currency (A)	KShs (A')	Donor currency (B)	KShs (B')	Donor currency (A)-(B)	KShs (A)-(B)
(i) Grant	'000'	'000'	'000'	'000'	'000'	'000'
EU-AITF- European Union African Infrastructure Trust Fund	5,000	584,286	1,934	234,786	3,066	349,500
(ii) Loan						
AFD	20,000	2,337,144	-	-	-	-
European Investment Bank-EIB	35,000	4,090,002	-	-	-	-
(iii) Counterpart funds						
Government of Kenya	10,000	1,168,572	120	15,350	9,880	1,153,222
Total	70,000	8,180,004	2,054	250,136	12,946	1,502,722

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2021)		Cumulative Amount paid to date – (30 th June 2021)		Unutilised balance to date (30 th June 2021)	
	Donor currency (A)	Kshs (A')	Donor currency (B)	Kshs (B')	Donor currency (A)-(B)	Kshs (A')-(B')
(i) Grant						
EU-AITF- European Union African Infrastructure Trust Fund	1,934	234,786		234,786	-	-
(ii) Loan						
AFD						
European Investment Bank- EIB						
(ii) Counterpart funds						
Government of Kenya	120	15,350		15,350	-	-
Total	2,054	250,136		250,136	-	-

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.8 Summary of Overall Project Performance:

- i. The Overall budget performance is at **40%** disbursement at the current year cumulative this is because the project is still at the initial stage of studies and the works implementation will start in the next financial year.
- ii. The project is awaiting ground breaking for works, being a new project and the tender process for works are being prepared.
- iii. The project is being professionally supervised and hence the City and its environs will benefit from uninterrupted water supply and sanitation network and water resources master plan for future investments hence the project will achieve value for money.
- iv. The implementation challenges were:
 - Delay in signing of Loan agreements
 - Slow project implementation especially lengthy procurement hence may delay in achieving the project objectives on time.
 - Community resistance

1.9 Summary of Project Compliance:

The project did not have non-compliance issues with the applicable law and regulations or any external financing agreements.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

Introduction

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

The key development objectives of the project's 2015-2026 plan are to:

- a) To improve water supply and sanitation distribution network in Kisumu City
- b) To provide a clear strategy for the city and the whole county on Investments to be conducted, associated costs and priorities.
- c) To provide a clear plan for Water Resources, Water and Waste Water Services and infrastructure.

Progress on attainment of Strategic development objectives

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

Project	Objective	Outcome	Indicator	Performance
KISUMU LVWATSAN PROJECT	To improve water supply and sanitation distribution network in Kisumu City	-Improvement of water and sanitation infrastructure.	Kilometres of distribution network for Water and Sanitation within Kisumu	70km of water distribution pipelines defined and designed. 33km of sewer lines defined and designed.
	To provide a clear strategy for the city and the whole county on Investments to be conducted, associated costs and priorities.	-Developing of Water Resources and Waste Water Master plan in Kisumu County.	-Water Resources Masterplan Report -Wastewater Masterplan Report Water Quality Monitoring Report	-Diagnostic Water Resources Masterplan Report -Diagnostic Wastewater Resources Master Plan -Water Quality Monitoring Plan
	To provide a clear plan for Water Resources, Water and Waste Water Services and infrastructure.	-Developing of Water Resources and Waste water Master plan in Kisumu County.	-Feasibility Study for Water Resources Development -Feasibility Study for Otonglo Wastewater Treatment Plant	-Presentation of Scenario for Water Resources to Working Group -Presentation of Scenario Wastewater Management to Working Group

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Kisumu LVWATSAN Project exists to transform lives within Kisumu County. The main purpose of the project is to improve water and sanitation infrastructure and to develop Water Resources and Waste Water Master plan in Kisumu County. Below is a brief highlight of our achievements in each pillar.

1. Sustainability strategy and profile-

In performing her mandate, LVSWWDA is committed to perform ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. LVSWWDA undertakes to conduct business in a way which will achieve sustainable growth, in line with legal and moral obligations. We aim to achieve our business objectives in a caring and responsible manner taking into account economic, social and environmental impacts. In light of this, LVSWWDA has conducted various CSR projects under the different projects we are implementing.

2. Environmental performance

The Agency is operating as per the NEMA provisions of the EMCA 1999, and Environmental (Impact Assessment and Audit) Regulations 2003 as well as other environmental regulations (statutory requirements). The Agency therefore conducts environmental and social impact assessment for all its projects to ensure compliance with the regulations. The Projects were licenced by NEMA before constructions commences and regular monitoring is done during construction to ensure compliance and protection of the environment. Catchment management activities are incorporated in the projects. The Agency has an environmentalist who is a Project Implementation Team member for all the projects.

3. Employee welfare

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

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

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

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

Lake Victoria Water And Sanitation Project
Reports and Financial Statements For the financial year ended June 30, 2021

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

4. Market place practices-

The Agency ensures incorporation of competitive market practices through, encouraging competitive bidding by Placing advertisements for all tenders in our local dailies, our website and The Govt. of Kenya Treasury portal. This enables all prospective bidders to access the information and to participate. At the close of all tenders, representatives who choose to attend are invited to witness the opening of the tenders to ensure transparency in the bidding process. All the participants are informed of the outcome of the procurement process.

LVSWWDA has always maintained an effective feedback mechanism by holding an annual supplier meeting to get feedback from suppliers and contractors. Any concerns raised during the forum are adequately addresses.

All engagements between LVSWWDA and suppliers and/or contractors take the form of purchase orders and contracts which are signed by both parties and they clearly enumerate responsibilities and obligations of either party. The payment schedules also form part of the contracts and they are strictly adhered to during the contract period. LVSWWDA encourages public participation and also clearance by relevant Govt agencies to ensure consumer rights and interests are not infringed

5. Community Engagements-

In line with the right to Access to Information as enshrined under Article 35 of the COK, the program Stakeholder Participation and Coordination will be given a major emphasis not only as a constitutional requirement as a basic necessity for such developments but also to benefit from other advantages such as sharing information, participatory approach to program management, management of potential conflicts between institutions, integrated planning for LVWATSAN infrastructure and harmonious implementation of LVWATSAN program with other development programs to be executed by other entities e.g. road constructions, harbour improvements

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Chief Executive Officer of Lake Victoria South Water Works Development Agency and the Project Coordinator for Lake Victoria Water and Sanitation project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Chief Executive Officer of Lake Victoria South Water Works Development Agency and the Project Coordinator for Lake Victoria Water and Sanitation project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Chief Executive Officer of Lake Victoria South Water Works Development Agency and the Project Coordinator for Lake Victoria Water and Sanitation project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2021, and of the Project's financial position as at that date. The Chief Executive Officer of Lake Victoria South Water Services Board and the Project Engineer for Lake Victoria Water and Sanitation project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

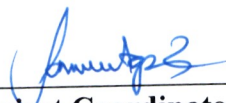
The Chief Executive Officer of Lake Victoria South Water Works Development Agency and the Project Coordinator for Lake Victoria Water and Sanitation project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the Chief Executive Officer of Lake Victoria South Water Works Development Agency and the Project Engineer for Lake Victoria Water and Sanitation project on 30/09/ 2021 and signed by them.



Ag. Chief Executive Officer
Chrispine O. Juma



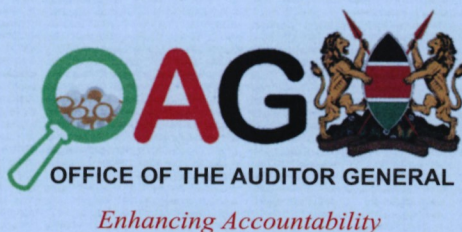
Project Coordinator
Mr. Paul Agwanda



Project Accountant:
Rosemary Chelangat
ICPAK MNO.:6361

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON LAKE VICTORIA WATER AND SANITATION PROJECT - NUMBER CONVENTION AFD CKE 1093 02M FOR THE YEAR ENDED 30 JUNE, 2021 - LAKE VICTORIA SOUTH WATER WORKS DEVELOPMENT AGENCY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Lake Victoria Water and Sanitation Project Number Convention AFD CKE 1093 02M set out on pages 1 to 14,

Report of the Auditor-General on Lake Victoria Water and Sanitation Project- Number Convention AFD CKE 1093 02M for the year ended 30 June 2021 - Lake Victoria South Water Works Development Agency

which comprise the statement of financial assets as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Lake Victoria Water and Sanitation Project Number Convention Agence Francaise De Development (AFD) - CKE 1093 02 M as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Grant Financing Agreement No. CKE 1093 02 M dated 17 December, 2015 between the Republic of Kenya and Agence Francaise De Development (AFD), the Subsidiary Grant Financing Agreement dated 29 July, 2016 between the Government of the Republic of Kenya and Lake Victoria South Water Works Development Agency and the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

1. Delayed Disbursements and Project Implementation

The program funding summary indicates that EU-AITF had contributed Kshs.234,786,000 equivalent to 39% of the committed funds and the Government of Kenya had contributed Kshs.15,350,000 equivalent to 1.3% of the committee funds for the program. However, no funds have so far been received from AFD and EIB due to delays in the signing of Subsidiary financing agreements between the Government of Kenya and the financiers. Although Management has indicated that the subsidiary agreements were finally signed on 2 October, 2020, there has been no commitment from the financiers as to when the funds will be disbursed to the project.

Consequently, the project may not be implemented and completed within the stipulated time frame of the overall financing agreement.

2. Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects an approved budget of Kshs.530,000,000 and actual expenditure of Kshs.121,526,125 representing approximately 23% budget absorption. The under absorption is as detailed below;

Expenditure Item	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Under Absorption (Kshs.)	Under Absorption %
Consultancy for technical study, design and supervision for works P1&2	68,000,000	25,083,144	42,916,856	63
Consultancy for Water Resources Master Plan	134,000,000	62,226,301	71,773,699	54
Consultancy for technical assistance in NRW management and water supply in informal settlements	220,000,000	34,216,680	185,783,320	84
Consultancy for technical assistance and capacity building in project management	108,000,000	-	108,000,000	100
Total	530,000,000	121,526,125	408,473,875	77

The Management attributes the low absorption to delay in signing of the subsidiary agreements with AFD and EIB, the slow negotiation process for land compensation and delays in implementers procurement process. The Management has provided a revised implementation work plan made to ensure that the project implementation is completed as planned.

Consequently, the underfunding and under absorption of funds has denied the public the opportunity of benefiting from the project and the project may not be completed as planned.

Other Information

The Management are responsible for the other information, which comprises project information and overall performance, the statement of performance against project pre-determined objectives, statement of corporate social responsibility and the statement of management' responsibilities. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Unauthorised Expenditure - Lack of Approved Procurement Plan

During the year under review, the Project entered into a contract with various firms for consultancy services out of which an amount of Kshs.121,526,125 was paid. However, the Management did not provide the approved procurement plan for audit verification showing the goods and services to be procured during the year, the procurement methods to be used. In addition, there was no evidence that the project management requested and obtained a letter of no objection from the financier-AFD regarding the drafting and approval of the procurement plan prior to the commencement of the procurement process for Water Resource and Wastewater Master plan. This is contrary to Section 1.6.1 of the AFD Procurement Guidelines.

Consequently, the Management breached the Financing Agreement.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Agence Francaise De Development Fund (AFD), I report based on my audit, that;

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. in my opinion, adequate accounting records have been kept by the Project Management, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of 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.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 December, 2021

Lake Victoria water And Sanitation Project Reports and Financial Statements
For the financial year ended June 30, 2021

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021.

	Note	2020/2021			2019/2020			Cumulative to-date (From inception) KShs
		Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	
		KShs	KShs	KShs	KShs	KShs	KShs	
RECEIPTS								
Transfer from Government entities	1	13,980,689	-	13,980,689	1,369,175	-	1,369,175	15,349,864
Proceeds from domestic and foreign grants	2		107,545,436	107,545,436		57,261,295	57,261,295	234,785,994
Loan From External Development Partners	3		-	-		-	-	-
TOTAL RECEIPTS		13,980,689	107,545,436	121,526,125	1,369,175	57,261,295	58,630,470	250,135,858
PAYMENTS								
Purchase of goods and services	4	13,980,689	107,545,436	121,526,125		57,261,295	57,261,295	248,766,683
Acquisition of non-financial assets					1,369,175	-	1,369,175	1,369,175
TOTAL PAYMENTS		13,980,689	107,545,436	121,526,125	1,369,175	57,261,295	58,630,470	250,135,858
SURPLUS/ (DEFICIT)								

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





Ag. Chief Executive Officer
 Name: Chrispine O.Juma

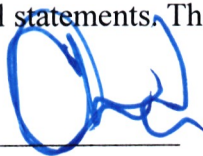
Project Coordinator
 Name: Mr. Paul Agwanda

Project Accountant
 Name: Rosemary Chelangat
 ICPAKMNO:6361

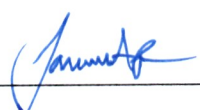
7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

	Note	2020-2021	2019-2020
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7.A	-	-
Cash Balances	7. B	-	-
Cash Equivalents (short-term deposits)	7.C	-	-
Total Cash and Cash Equivalents		-	-
Accounts Receivables		-	-
TOTAL FINANCIAL ASSETS		-	-
FINANCIAL LIABILITIES			
Payables- Deposits and Retentions		-	-
NET ASSETS		-	-
REPRESENTED BY			
Fund balance b/fwd		-	-
Prior year adjustments		-	-
Surplus/(Deficit) for the year		-	-
NET FINANCIAL POSITION			


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/07/2021 2021 and signed by:



Ag. Chief Executive Officer
Date 30/07/2021



Project Coordinator
Date 30/07/2021



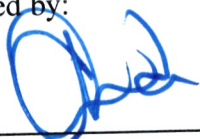
Project Accountant
Date 30/07/2021
ICPAK M.No.6361

*Lake Victoria Water And Sanitation Project
Reports and Financial Statements For the financial year ended June 30, 2021*

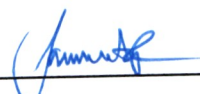
8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021

		2020/2021	2019/2020
	Note	KShs	KShs
Receipts for operating activities			
Transfer from Government entities	1	13,980,689	1,369,175
Proceeds from foreign grants	2	107,545,436	57,261,295
		121,526,125	58,630,470
Payments for operating activities			
Purchase of goods and services	4	(121,526,125)	(58,630,470)
		-	-
Net cash flow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets			
Net cash flows from Investing Activities			
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings			
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year			
Cash and cash equivalent at END of the year			


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/06/2021 2021 and signed by:



Ag. Chief Executive Officer
Date 30/09/2021



Project Coordinator
Date 30/09/2021



Project Accountant
Date 30/09/2021
ICPAK MNo:6361


9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget Kshs. a	Adjustments Kshs. b	Final Budget Kshs. c=a+b	Actual on Comparable Basis Kshs. d	Budget Utilization Difference Kshs. e=c-d	% of Utilization f=d/c %
Receipts						
Transfer from Government	80,000,000	-	80,000,000	13,980,689	66,019,311	17%
Proceeds from foreign grants	450,000,000	-	450,000,000	107,545,436	342,454,564	24%
Total Receipts	530,000,000		530,000,000	121,526,125	408,473,875	23%
Payments						
Consultancy for Technical study, design and supervision for works p1&2 -procurement process	68,000,000	-	68,000,000	25,083,144	42,916,856	37%
Consultancy for Water Resources Master Plan	134,000,000	-	134,000,000	62,226,301	71,773,699	46%
Consultancy for Technical Assistance in NRW Management and water supply in informal settlements	220,000,000	-	220,000,000	34,216,680	185,783,320	16%
Consultancy for technical Assistance and Capacity Building in project management	108,000,000	-	108,000,000	-	108,000,000	0%
Total Payments	530,000,000	-	530,000,000	121,526,125	408,473,875	23%

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



Ag. Chief Executive Officer
Date 30/09/2021



Project Coordinator
Date 30/09/2021



Project Accountant
Date 30/09/2021
ICPAK Member No:

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.2 Statement of compliance and basis of preparation

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

10.3 Reporting entity

The financial statements are for the Project Kisumu LVWATSAN under Lake Victoria South Water Works Development Agency. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.3.1 Reporting currency

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

10.4 Significant Accounting Policies

a) Recognition of receipts

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

i) Transfers from the Exchequer

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

Lake Victoria Water And Sanitation Project

Reports and Financial Statements For the financial year ended June 30, 2021

ii) External Assistance

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

iii) Other receipts

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

b) Donations and grants

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

c) Proceeds from borrowing

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

d) Undrawn external assistance

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

e) Recognition of payments

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

Significant Accounting Policies (Continued)

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

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

Significant Accounting Policies (Continued)

f) In-kind donations

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

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank

account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Restriction on cash

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

h) Accounts receivable

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

Significant Accounting Policies (Continued)

i)Contingent Liabilities

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. There were no contingent liabilities in the year.

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

j) 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.

Significant Accounting Policies (Continued)

k) Pending bills

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

l) Budget

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

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

m) Third party payments

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

During the year there were loan disbursed and received in form of direct payments from third parties.

Significant Accounting Policies (Continued)

n) Exchange rate differences

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

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2021.

q) Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

Lake Victoria Water And Sanitation Project

Reports and Financial Statements For the financial year ended June 30, 2021

11. NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS FROM GOVERNMENT OF KENYA

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

	2020/21	2019/20	
	KShs	KShs	Cumulative to-date (from inception)
<i>Counterpart funding through Ministry of Water and Sanitation and Irrigation</i>			
Counterpart funds	13,980,689	1,369,175	15,349,864
Total	13,980,689	1,369,175	15,349,864

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2021 we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	EX.rate	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs	
							2020/21	2019/20
		Euro	EX.rate	KShs	KShs	KShs	KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)								
AFD/EIB/AITF	01.07.2021							2,529,951
AFD/EIB/AITF	25.05.2021	68,692	132.056		9,071,118		9,071,118	
AFD/EIB/AITF	28.05.2021	26,763	131.199		3,511,314		3,511,314	
AFD/EIB/AITF	25.05.2021	46,385	132.056		6,125,452		6,125,452	23,856,196
AFD/EIB/AITF	28.05.2021	18,072	131.199		2,371,084		2,371,084	
AFD/EIB/AITF	29.04.2021	234,347	128.630		30,144,108		30,144,108	
AFD/EIB/AITF	29.04.2021	171,855	128.630		22,105,679		22,105,679	
AFD/EIB/AITF	12.03.2021	66,176	130.922		8,663,934		8,663,934	
AFD/EIB/AITF	12.03.2021	79,412	130.922		10,396,720		10,396,720	
AFD/EIB/AITF	14.04.2021	79,412	128.630		10,104,017		10,104,017	
AFD/EIB/AITF	14.04.2021	39,706	128.630		5,052,009		5,052,009	
Total		830,820		-	107,545,436	-	107,545,436	26,386,155

*Lake Victoria Water And Sanitation Project
Reports and Financial Statements For the financial year ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2021 we did not receive funding from development partners in form of - loans negotiated by the National Treasury donors.

4. PURCHASE OF GOODS AND SERVICES

	2020/2021			2019/2020	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Services					31,809,487
Project Management Consultancy				1,369,175	23,856,196
Project Management Consultancy				0	11,783,621
Technical Design & supervision Consultancy	4,004,175	21,078,969	25,083,144	0	25,083,144
Water Resources and Waste water Master plan in Kisumu County	9,976,514	52,249,787	62,226,301	54,731,337	86,082,497
Non-Revenue Water Technical assistance	-	34,216,680	34,216,680	0	34,216,680
Project Technical Assistant Consultancy				2,529,958	5,059,917
Total	13,980,689	107,545,436	121,526,125	58,630,470	217,891,542

Lake Victoria Water And Sanitation Project

Reports and Financial Statements For the financial year ended June 30, 2021

12. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S 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	Budgetary Control and Performance	The budget was under funded because of delay in implementation	Resolved	
2	Failure to prepare a Fixed Assets Register	The Asset register has been added.	Resolved	

Ag. Chief Executive Officer

30/09/2021

Date

Project Coordinator

30/09/2021

Date

*Lake Victoria Water And Sanitation Project
Reports and Financial Statements For the financial year ended June 30, 2021*

13. ANNEXES

ANNEX1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance(below 90% and over 100%
	Kshs.	Kshs.	Kshs.		
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government	80,000,000	13,980,689	66,019,311	17	Part of the funds were for compensation of land and the process of land negotiation and consultation is still on process
Proceeds from foreign grants	450,000,000	107,545,436	342,454,564	24	Part of the funds were for works which is under procurement process
	530,000,000	121,526,125	408,473,875	23	
Payments					
Consultancy for Technical study, design and supervision for works p1&2 -procurement process	68,000,000	25,083,144	42,916,856	37%	Part of the amount budgeted were for supervision of works which is still under procurement
Consultancy for Water Resources Master Plan	134,000,000	62,226,301	71,773,699	46%	Consultant delayed on processing TCC hence delay on payment.
Consultancy for Technical Assistance in NRW Management and water supply in informal settlements	220,000,000	34,216,680	185,783,320	16%	
Consultancy for technical Assistance and Capacity Building in project management	108,000,000		108,000,000	0%	Part of the funding were for phase
Total payments	530,000,000	121,526,125	408,473,875	23%	

*Lake Victoria Water And Sanitation Project
Reports and Financial Statements For the financial year ended June 30, 2021*

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

S/N O.	Asset class	Opening Cost (KShs) 1st July 2021	Donations in form of assets(KShs) 2020/21	Additions in the Year(KSh s) 2020/21	** Disposals in the Year (KShs) 2020/21	Transfers in/(out)Kshs 2020/21	Closing Cost (KShs) as at 30th June 2021 (e)= (a)+(b)+(c)- (d)+(-)d
		(a)	(b)	(c)	(d)	(d)	(e)
1	TOYOTA DOUBLE CABIN VEHICLE	6,424,275			-	-	6,424,275
2	HP COLOR LASERJET CP5225 (A3 COLOUR)	174,000					174,000
3	HP LASERJET PRO MFP M426fdw (A4 B&W)	54,520					54,520
4	2 DELTA UPS 600VA	20,880					20,880
5	4 WIRELESS MOUSE HP	7,888					7,888
6	4 HP SPECTRE X360 13-ae013dx LAPTOPS	596,240					596,240
7	1 HP SPECTRE X360 13-ae013dx LAPTOPS	149,060					149,060
8	MICROSOFT OFFICE PROFESSIONAL	194,880					194,880
9	MICROSOFT WINDOWS 10	48,720					48,720
10	USB TYPE C HDMI CONNECTOR	4,060				-	4,060
11	4 PORTS TYPE C HUB	4,408				-	4,408
12	HP KEYBOARD K1500	2,088				-	2,088
13	HP 27ES 27" LED MONITOR	33,640				-	33,640
14	WIRELESS MOUSE HP	1,740				-	1,740
15	WATER DISPENSER HWDV2210B	17,995				-	17,995
16	DG CHAIRS (OFFICE CHAIRS)	55,655				-	55,655
17	OFFICE WORKSTATION 4 WAY	105,999				-	105,999
18	4 DRAWER CABINET 2TONE	75,996				-	75,996
19	CABINET 6FT 3 SHELF 2TONE	24,699				-	24,699
20	POWERLITE 6WAY EXTENSION CABLES	6,180				-	6,180
21	POWERLITE 4WAY EXTENSION CABLES	745				-	745
22	HUAWEI ROUTER (BLACK) SERIAL NUMBER Q2Q7S18B07000494:	10,000				-	10,000
	TOTAL	8,013,668				-	8,013,668

Lake Victoria Water And Sanitation Project
Reports and Financial Statements For the financial year ended June 30, 2021
APPENDICES

i. Trial Balance

DESCRIPTION	Notes	DR Ksh	CR Ksh
EIB/AFD/AITF proceeds:			
29.04.2021	1		5,280,894
29.04.2021	1		474,787
29.04.2021	1		3,872,656
29.04.2021	1		348,177
25.05.2021	1		2,208,978
28.05.2021	1		181,189
25.05.2021	1		1,491,656
28.05.2021	1		122,352
25.05.2021	2		9,071,118
28.05.2021	2		3,511,314
25.05.2021	2		6,125,452
28.05.2021	2		2,371,084
29.04.2021	2		30,144,108
29.04.2021	2		22,105,679
12.03.2021	2		8,663,934
12.03.2021	2		10,396,720
14.04.2021	2		10,104,017
14.04.2021	2		5,052,009
Direct payment:			
Technical Design & supervision Consultancy	4	21,078,969	
Water Resources and Waste water Master plan in Kisumu County	4	52,249,787	
Non-Revenue Water Technical assistance	4	34,216,680	
Internal Payment :			
Technical Design & supervision Consultancy	4	4,004,175	
Water Resources and Waste water Master plan in Kisumu County	4	9,976,514	
TOTAL		121,526,125	121,526,125