

REPUBLIC OF KENYA



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THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT FOR WATER AND
SANITATION**

**FOR THE YEAR ENDED
30 JUNE, 2025**



OFFICE OF THE AUDITOR
P.O. Box 30084 - 00100
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STATE DEPARTMENT FOR WATER AND SANITATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

Transitional IPSAS Financial Statements/Prepared in accordance with the Accrual
Basis of Accounting Method Under International Public Sector Accounting
Standards (IPSAS)

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1. Acronyms and Definition of Key Terms

A: Acronyms and Abbreviations

CS	<i>Cabinet Secretary</i>
PS	<i>Principal Secretary</i>
CBK	<i>Central Bank of Kenya</i>
ICPAK	<i>Institute of Certified Public Accountants of Kenya</i>
IPSAS	<i>International Public Sector Accounting Standards</i>
OCOB	<i>Office of the Controller of Budget</i>
OAG	<i>Office of the Auditor General</i>
OSHA	<i>Occupational Safety and Health Act of 2007</i>
PFM	<i>Public Finance Management</i>
PPE	<i>Property Plant & Equipment</i>
PSASB	<i>Public Sector Accounting Standards Board</i>
SAGAs	<i>Semi-Autonomous Government Agencies</i>
SC	<i>State Corporations</i>
TNT	<i>The National Treasury</i>
WB	<i>World Bank</i>
IPPD	<i>Integrated Payroll and Personnel Database</i>
AIA	<i>Appropriation in Aid</i>
FLLoCA	<i>Financing Locally-Led Climate Action</i>
MDA	<i>Ministries, Departments and Agencies</i>
SDG	<i>Sustainable Development Goals</i>
AG	<i>Attorney General</i>
PPP	<i>Public Private Partnership</i>
PSC	<i>Public Service Commission</i>
CoK	<i>Constitution of Kenya</i>
FY	<i>Financial Year</i>
CSR	<i>Corporate Social Responsibility</i>
CBO	<i>Community Based Organization</i>

B: Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation to be determined by terms used in the report.

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2. Key State Department for Water and Sanitation Information and Management

(a) Background information

The State Department for Water and Sanitation under the Ministry of Water, Sanitation and Irrigation was established through Executive Order No.2 of 2023 dated 1st November, 2023. The State Department's mandate is guided by key laws and policies as provided by the Constitution of Kenya (CoK), Water Act 2016, Kenya Water Institute (KEWI) Act 2001, Legal Notice Number 252 of 2015.

The mandate of the State Department is aligned with the Kenya Vision 2030 and its Fourth Medium Term Plan (MTPIV), and other national and international commitments such as the Bottom-Up Economic Transformation Agenda (BETA), the African Union Agenda 2063, the Africa Water Vision 2025 and the global Sustainable Development Goals (SDGs) No.2, 6 and 15. Similarly, as outlined in the Fourth schedule of the CoK, the National Government is mandated to provide policy guidance and strategies aimed at protecting, conserving, and managing water resources as well as development of national public water and sewerage works.

Accordingly, the State Department of Water and Sanitation focuses on realization of universal access to safe and clean water and efficient Sanitation services to support the broad national government objectives of realization of sustainable economic growth, and development poverty reduction, and social stability. It also seeks to progressively realize the right to water, Sanitation, and food security, contributing to socio-economic development in line with Article 43(b), (c), and (d) of the Constitution of Kenya.

Additionally, the State Department is responsible for policy direction and guidance, capacity building, resource mobilization, coordination and oversight to nine (9) Waterworks Development Agencies, three (3) regulators, two (2) training institutions and the Water Sector Trust Fund.

The functions of the State Department as bestowed in the Executive Order No. 2 of 2023 dated 1st November, 2023 are:

1. Water Resources Management Policy and Standards,
2. Water Catchment Area Conservation, Control and Protection,
3. Water and Sewerage Services Management Policy,
4. Waste Water Treatment and Disposal Policy,
5. Water Quality and Pollution Control,
6. Sanitation Management,
7. Management Public Water Schemes and Community Water Projects and
8. Water Harvesting and Storage for Domestic and Industrial Use

(b) Mandate

The mandate of the Ministry of Water, Sanitation and Irrigation is development and management of Water Resources, Sanitation, Irrigation, Drainage and Land Reclamation. In discharging its mandate, the Ministry is guided by key policy documents which include the Constitution of Kenya, the Kenya Kwanza Manifesto through the Bottom-Up Economic Transformation Agenda (BETA), the Fourth Medium Term Plan 2022-2027 (MTP IV) of the Kenya Vision 2030, Ministry Strategic Plan 2023-2027, Legal and regulatory Framework.

Their vision is to ensure water resources are available and accessible to all, while their mission is to contribute to national development by promoting integrated water resource management and enhancing water availability and accessibility.

Vision: Universal access to adequate, safe, and sustainably managed water resources and Sanitation.

Mission: To ensure good governance in the conservation, protection, harvesting and storage, management, and development of water resources and Sanitation infrastructure for national socioeconomic development.

(c) Key Management

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

- i. Directorate of water
 - Department of Water Services
 - Department of Water Resource
 - Department of Trans boundary Waters

- ii. Directorate of shared services
 - Human Resource Management and Development Department
 - Central planning and Projects Monitoring Department
 - Finance Department
 - Accounts Department
 - Supply Chain Management Department
 - Administration General Department
 - Records Management Department
 - ICT Department
 - Public Communication Department
 - Internal Audit Department
 - Legal Department

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

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No.	Designation	Name	Date of Appointment
1	Accounting Officer	Mr. Julius Korir, CBS	Nov-2023
2	Secretary Administration	Mr. Stephen Kihara	Aug-2023
3	Water Secretary	Eng. S. O. Alima, CBS	
4	Director, Human Resource Management and Development	Mr. Albert Mokua	Aug-2023
5	Ag. Director, Sanitation Management	Eng. Mary Wamaitha	
6	Director, Water Storage and Flood Control	Eng. Martin Ngaa	
7	Director, Department of Trans-Boundary Waters	Ms. Gladys Wekesa	
8	Director, Dept of Water Infrastructure Dev	Eng. Simon Korir	
9	Head Supply Chain Management Services	Mr. Dickson Lugonzo	Mar-2025
10	Director, Special Programmes	Ms. Eunice Mugeru	
11	Ag. Director Water Resources	Eng. Andrew M. Kinyua	
12	Deputy Director Legal Department	Ms. Rose Nyakwana	
13	Director, Planning	Mr. Grace Kimitei	Mar-2025
14	Head Finance	CPA: Robert Osano	Jan-2025
15	Ag. Head Accounts Unit	Dr. Jennifer Owino	Jul-2024
16	Head Internal Audit	Mr. John Kariuki	Aug-2023
17	Chief Mechanical Engineer	Eng. Charles Nzuka	
18	Head Public Communication	Mr. John Mwandikwa	
19	Head, Information Communication Technology	Mr. Victor Odoyo	Jan-2024

(e) Fiduciary Oversight Arrangements

i). Audit Committee Activities

- Reviewing and monitoring the external auditor's independence and objectivity, taking into consideration relevant professional and regulatory requirements. In fulfilling its duties, the committee reviews with the external auditors, the scope of their audit plan, system of internal audit reports, assistance given by management and its staff to the auditors and any findings and actions to be taken.
- Reviewing any related party transactions that may arise within the State Department.
- Reviewing communication between external auditors and management including responses on audit queries on the annual financial statement raised by the Auditor General.
- Following up on recommendations of the Parliamentary Accounts Committee (PAC)

The current Audit Committee is fully established and consist of the following:

Ms. Hannah Nyambura Ndungu	Chairperson
Mr. Patrick Mutisya Mbithi	Member
CPA Dr. Dorothy Chepnegetich	Member
Mr. Ololchike Spencer Sankale	Member
Mr. Timothy Munyole	Member
Mr. John Kariuki (National Treasury Representative)	Secretary

ii). Public Finance Management Committee

This is the committee charged with the responsibility of implementation of the State Department's budget and its prudent management. The duties of the committee include:

- To review budgets, supplementary estimates and performance of budget against actual for the State Department in consultation with the Heads of Department.
- To participate in sector working groups
- To review and consider the cash flow plans
- To review the utilization of the cash limits and consider any changes as may be required;
- To review the utilization of the donor funds voted for the State Department.
- To advice the accounting officer on the challenges related to the budget implementation
- To review and recommend the reallocation of payments

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- To review and approve the submission of the payment returns, payroll IPPDs, pending bills and A-I-A returns for the State Department and recommend actions to be taken.

iii) Senior Management Committee

Senior Management Committee is comprised of the Cabinet Secretary, Principal Secretary, Water Secretary, Chief Executive Officers of all Water Agencies and Heads of Departments in the Ministry who are mainly the AIEs Holders.

The Committee also highlights the major challenges and the way forward in achieving the targets of the Ministry as regards performance.

iv) Other oversight activities

The Ministry undertakes Monitoring and Evaluation activities on regular basis. The Ministry has performance contracts signed between All Agencies and departments of the Ministry and the Cabinet Secretary, which are reviewed on quarterly basis.

Internal Auditors undertake systems audit regularly and advice on areas of improvement. All recommendations and observations by the Office of the Auditor General and the Parliamentary Accounts Committee are followed up and acted upon in time.

(f) MDA Headquarters

P.O. Box 4920-0100
Maji House
Ngong Road
Nairobi, Kenya

(g) MDA Contacts

Telephone: (254) 020-2716103
E-mail: ps@water.go.ke
Website: www.water.go.ke

(h) State Department for Water and Sanitation Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

2. Other Banks

(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

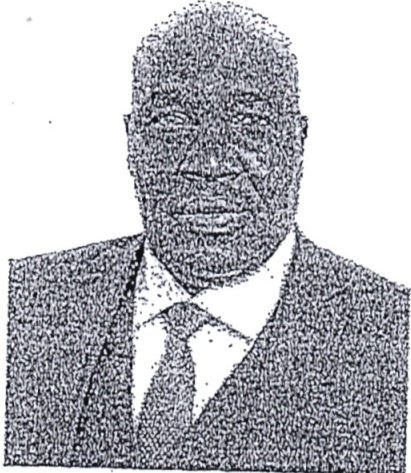
The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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3. Profile of Cabinet Secretary

Cabinet Secretary	
	<p>Eng. Eric Murithi Mugaa took charge of the Ministry of Water, Sanitation and Irrigation on 8th August, 2024.</p> <p>CS has extensive experience in Water Resources Management, Infrastructure Development in Water, Sanitation and Irrigation and also Non-Revenue Water management</p> <p>Prior to his appointment as Cabinet Secretary, he served at Mangat I.B. Patel Ltd Consulting Engineers from 2017 to 2024.</p> <p>He is a visionary leader at the forefront of developing policies and strategies for the sustainable management of water resources, Sanitation and irrigation and also the management of all matters regarding the Ministry.</p> <p>The CS holds a Master of Science degree in Civil Engineering (Water Resources) and a Bachelor of Science in Civil and Construction Engineering.</p>
<p>Eng. Eric M. Mugaa Cabinet Secretary Ministry of Water, Sanitation and Irrigation</p>	

4. Profile of Accounting Officer and Key Management.

Accounting Officer and Key Management	
	<p>Currently the Principal Secretary for Water and Sanitation under the Ministry of Water, Sanitation and Irrigation. Has served as a Principal Secretary from 2014 to date in various State Departments namely; Industrialization, Health, Infrastructure, Youth, Public Service, Devolution and recently Cabinet Affairs.</p> <p>Was Senior Manager in the field of international business development with extensive experience in export marketing, promotion, and market research. Vast experience also in investment promotion, programme development and project management.</p> <p>Experienced in developing relationships with development agencies at senior officials' level. Interface with companies at CEO/senior manager level. Liaison with international agencies such as World Bank, IFC, EC, USAID, JICA, CBI, ITC and UNIDO.</p>

**Julius Korir CBS, Principal Secretary,
State Department for Water and
Sanitation, MoWSI**

5. Statement by the Cabinet Secretary

The mandate of the Ministry of Water, Sanitation and Irrigation is to ensure every person has the right to access to clean and safe water in adequate quantity, reasonable standards of sanitation and free from hunger and have adequate food of acceptable quality to support development of the country. This is anchored in the Bill of Rights of the Constitution in article 43 (d) which states that every person has the right to clean and safe water in adequate quantities, 43 (b) right to reasonable standards of sanitation and 43 (c) to be free from hunger and to have adequate food of acceptable quality. To progressively realize access to clean and safe water in adequate quantities, provision of reasonable standards of sanitation, and attainment of food security, the Ministry is implementing reforms in the Water Sector that aligns the institutional arrangements and its operations to the CoK 2010 and the Water Act, 2016 and Irrigation Act 2019.

The functions of the Ministry of Water, sanitation and Irrigation is development and management of Water Resources, Sanitation, Irrigation, Drainage and Land Reclamation. In discharging its mandate, the Ministry is guided by key policy documents which include the Constitution of Kenya, the Kenya Kwanza Manifesto through the Bottom-Up Economic Transformation Agenda (BETA), the Fourth Medium Term Plan 2022-2027 (MTP IV) of the Kenya Vision 2030, Ministry Strategic Plan 2023-2027, Legal and regulatory framework: The Water Act 2016, the Irrigation Act 2019 and National Water Policy of 2021. The functions are aligned to the African Union Agenda 2063, the Africa Water Vision 2025 and the global Sustainable Development Goals (SDGs) No.2, 6 and 15. Similarly, as outlined in the Fourth schedule of the GoK, the National Government is mandated to provide policy guidance and strategies aimed at protecting, conserving, and managing water resources as well as development of national public water and sewerage works.

The ultimate goal of the Sector is therefore to achieve Kenya Vision 2030, Sustainable Development Goal (SDG) No 6, Ngor Declaration on Sanitation and Hygiene and Agenda 2063 on 'Africa We Want'. As at 2024, access to clean and safe water services and safely managed sanitation stands at 74% and 40.9% respectively which is still far from reaching universal access to water and sanitation. But with the commitment and assurance from the government, we are optimistic to achieve universal coverage in every village in the Country by the year 2030 as envisioned in Vision 2030. This will be achieved through various interventions aligned with the National Water and Sanitation Strategy (NWSS), 2020-2025.

The Ministry has a target of increasing access to safe and clean water to 80% by the end of June 2027 from 74% in 2024; and 90% access to reasonable standards of sanitation services from 68% in 2024 while reducing the share of Non-Revenue Water to less than 25% through implementation of various programs and projects.

Despite notable progress, the Ministry continues to face challenges that have hindered the pace of sector development. These include persistently high levels of Non-Revenue Water (averaging 44%), inefficiencies among Water Service Providers, low sewerage coverage, limited financial resources, and delays in land acquisition and compensation. Cross-cutting issues such as pollution of water bodies, degradation of catchment areas, weak enforcement of regulations, institutional overlaps, and human resource capacity gaps have also constrained performance. Furthermore, the effects of climate change including prolonged

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droughts, floods, and erratic rainfall have continued to disrupt water availability and place additional strain on existing infrastructure.

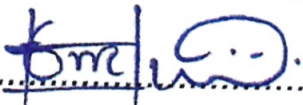
To address these challenges, the Ministry is implementing a range of strategic interventions as outlined in various strategies and plans. These include investment in climate-resilient water and sanitation infrastructure, promotion of Integrated Water Resources Management (IWRM) to ensure equitable and sustainable use, and expansion of water storage through the construction of multipurpose dams, water pans, and rainwater harvesting systems. Priority is also being given to last-mile connectivity to ensure that completed infrastructure benefits the intended communities. The Ministry is further strengthening institutional capacity through performance-based management systems and enhancing the legal and regulatory framework through the operationalization of key water sector regulations.

To address financing constraints, the Ministry is adopting innovative and blended financing models, including Public-Private Partnerships (PPPs) and climate financing. Cross-cutting issues such as gender equality, youth empowerment, climate resilience, and digital transformation have been mainstreamed across all programmes. Additionally, coordination with county governments and stakeholder engagement has been enhanced to foster inclusive and effective sector development.

This Annual Financial Report and Statements provides a comprehensive account of the Ministry's achievements, resource utilization, and the challenges faced during the financial year. It serves as a critical tool for transparency and accountability while informing policy and decision-making going forward.

Looking ahead, the Ministry remains committed to delivering on its constitutional and strategic mandates. It calls upon all stakeholders including county governments, development partners, the private sector, civil society, and citizens to work together in realizing the shared vision of

Together, we shall ensure that Water is Life and Sanitation is Dignity.



.....
ENG. ERIC MURITHI MUGAA

CABINET SECRETARY

MINISTRY OF WATER, SANITATION AND IRRIGATION

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6. Statement by the Accounting Officer

During the review period, the Budget allocation for the State Department was Kshs. 33,267,486,537 in financial year 2024/25 while actual expenditure was Kshs. 30,383,724,355 translating to 91% absorption level. The Recurrent approved budget was Kshs. 6,635,908,098 against an expenditure of Kshs, 6,621,740,721 translating to an absorption level of 99.78%. Further, the Development approved budget was Kshs. 26,631,578,439 against an expenditure of Kshs, 23,761,983,634 translating to an absorption level of 89.22% The State Department's recurrent and development expenditure, per programme and sub-programme is presented below from tables 1 to 3.

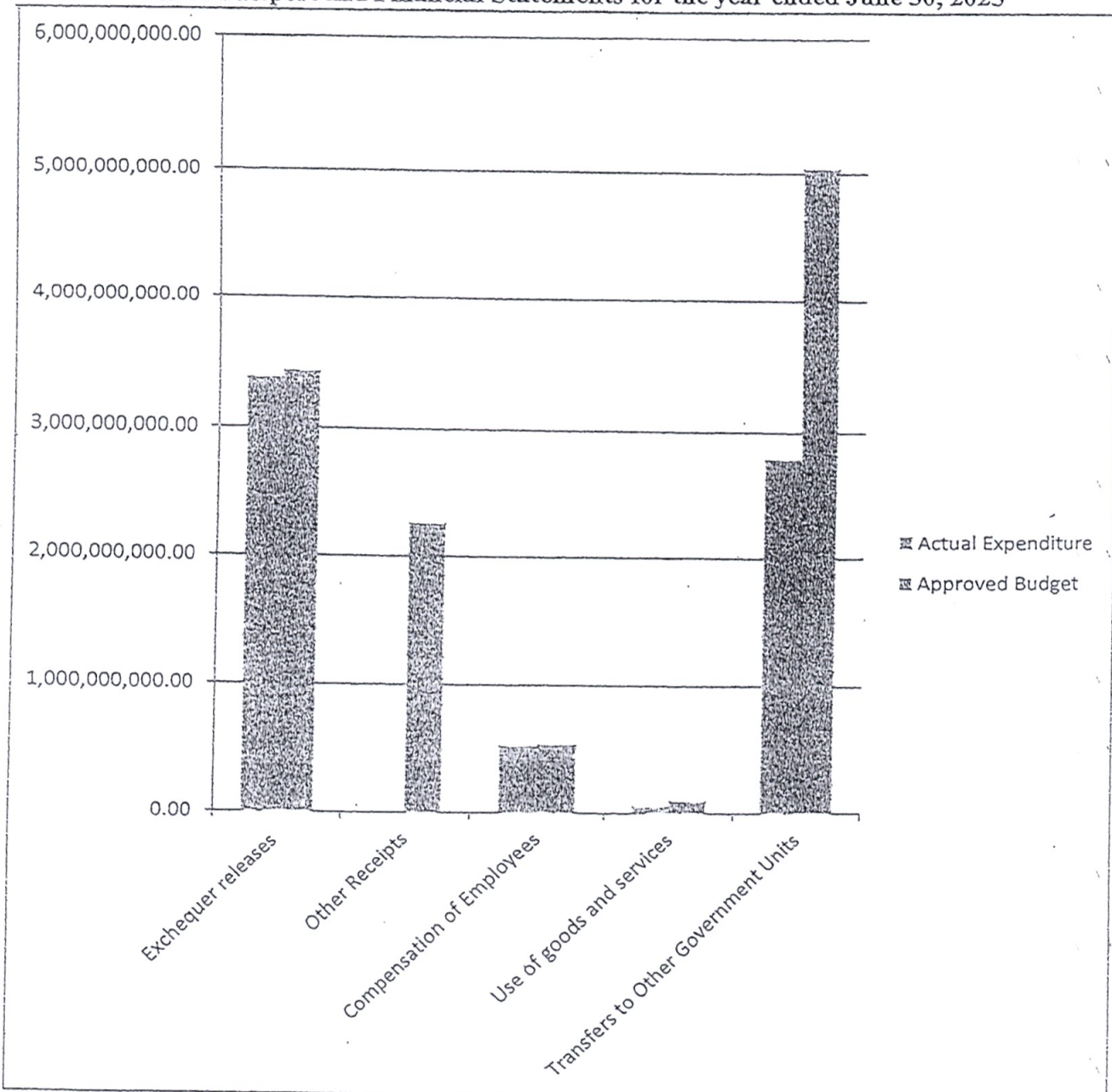
Table 1: Analysis by Category of Expenditure and a comparison between Approved and Actual Budget: Recurrent (Kshs.)

Receipt/Expense Item	Approved Budget	Actual Expenditure
Receipts		
Exchequer releases	2,932,908,095.95	2,941,333,467.50
Other Receipts	3,703,000,000.00	9,736,050
Payments		
Compensation of Employees	535,012,014	526,978,206
Use of goods and services	88,310,284.00	84,436,141
Transfers to Other Government Units	6,012,585,800	2,329,919,121

*The average budget utilization on recurrent expenditure was 70% of the Approved Budget as represented on the Bar chart below. This was due to budget cuts and lack of exchequer Releases.

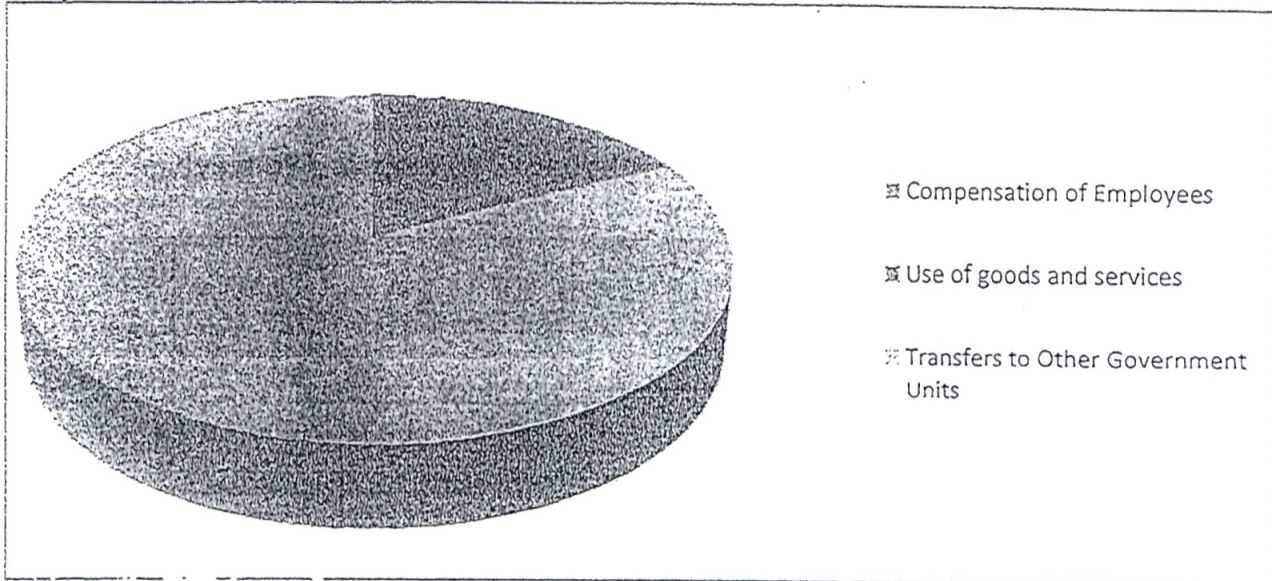
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Analysis of Actual Expenditure: Recurrent Vote

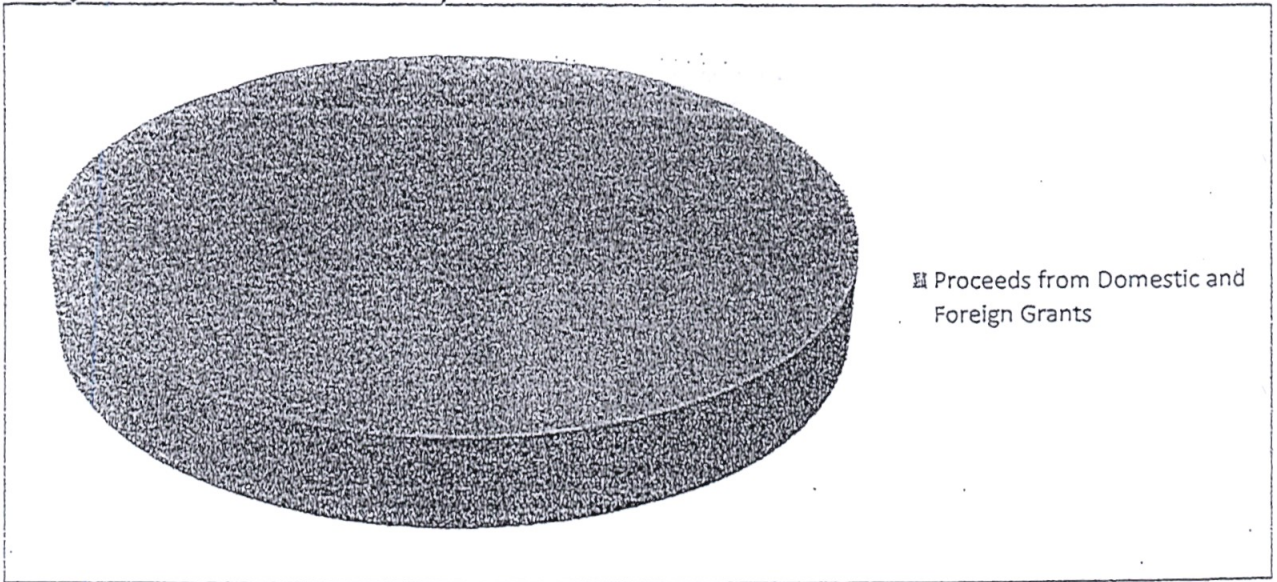


As per the above Table 99.6% of the receipts are from Exchequer requisition while 81.9% of Expenditures are utilised under Transfer to other Government units as represented in pie chart above.

Table 2: Analysis by Category of Expenditure: Development (Kshs.)

Receipt/Expense Item	Approved Budget	Actual Expenditure
Receipts		
Proceeds from Domestic and Foreign Grants	173,800,000	208,484,759
Exchequer releases	17,302,378,439	15,362,068,725
Proceeds from Foreign Borrowings	9,155,400,000	7,838,284,973
Payments		
Transfers to Other Government Units	26,631,578,439	23,389,262,010
Acquisition of Assets	-	-

Analysis of Receipts: Development Vote

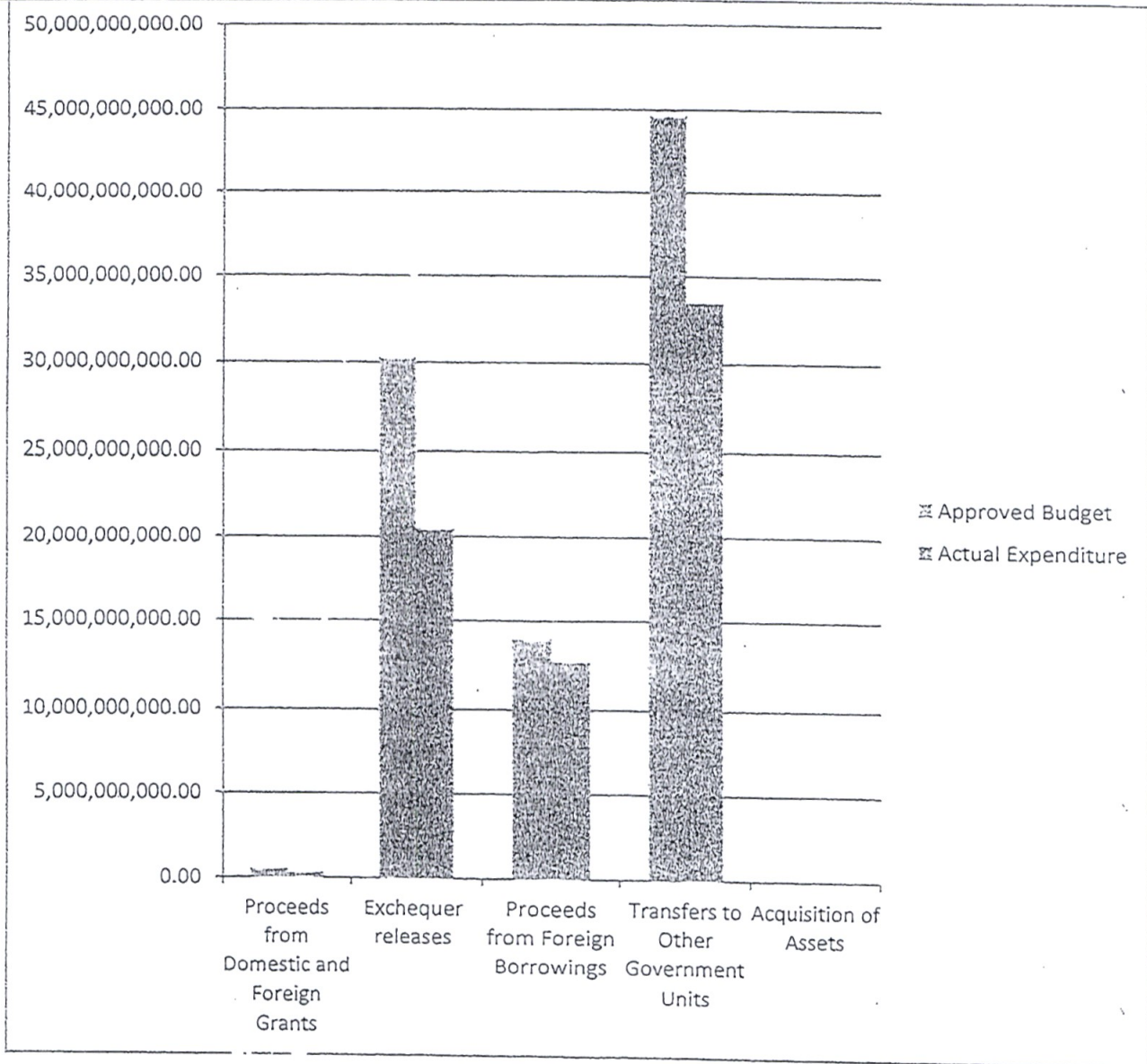


68% of Receipts from Development vote is from Exchequers and proceeds from domestic and foreign borrowing on the pie chart above. 99.8% of the same is applied on Transfers to other Government units as reflected on the table.

Analysis of Expenditure; Development Vote

A comparison of Approved budget and Actual expenditure shows that the chunk of budgetary allocation is much under transfer to Governments units and the same to actual budget. The below Bar graph is a pictorial representation of the approved Budget versus the actual expenditure. It shows that the chunk of receipts approved is utilised on transfer to other Government units. The non-100% utilization is due to Budget cuts and lack of Exchequers.

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Average Budget utilization was above 75%, a chunk of which goes to Transfer to other Government units

State Department for Water and Sanitation

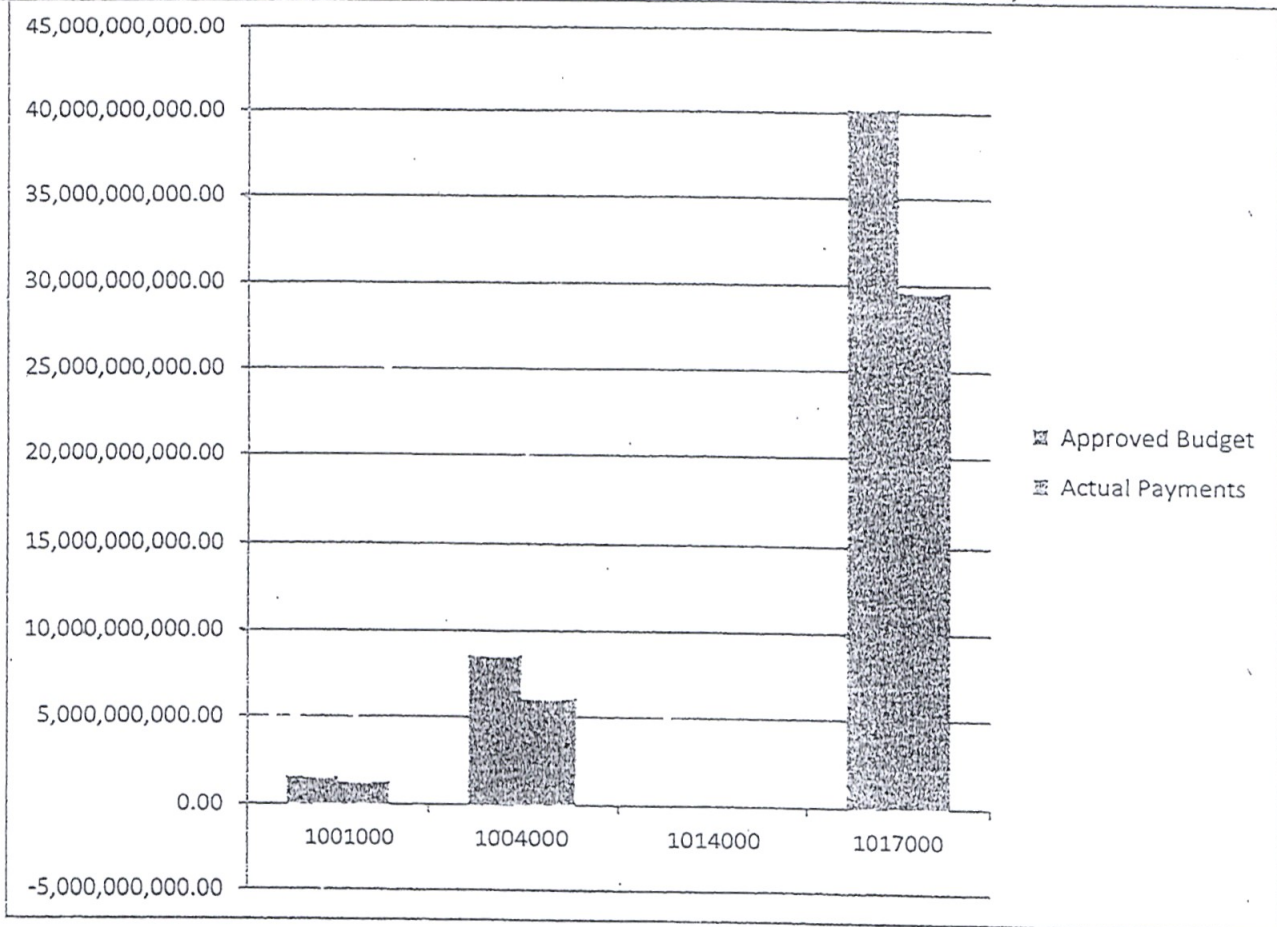
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**Table 3: Analysis by Category of Expenditure and a comparison between
Approved and Actual Budget: Consolidated (Kshs.)**

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
1001000000		General Administration, Planning and Support Services	838,853,960	63,083,091	775,770,8
	1001020000	Water policy Management	838,853,960	63,083,091	775,770,8
1004000000		Water Resources Management	16,478,153,385	26,908,072	16,451,245,3
	1004010000	Water Resources conservation and Protection	16,458,153,385	26,908,072	16,431,245,3
	1004040000		20,000,000	-	20,000,0
1015000000			1,916,101,215	26,850,000	1,889,251,2
	1015010000		1,916,101,215	26,850,000	1,889,251,2
1017000000			34,721,210,617	435,586,258	34,285,624,3
	1017010000		30,984,210,617	383,092,385	30,601,118,2
	1017020000		3,737,000,000	52,493,873	3,684,506,1
Grand Total			53,954,319,177	552,427,421	53,401,891,7

The table above and as represented by the graph below the chunk of the Approved Budget that is 80% and the Chunk of Actual expenditure is covered under Water resource management. And as can be seen from the table and bar graph; above 73% of the Budget was utilised. Which means if 100% of the budget could be realised and with availability of exchequers then the whole amount could have been utilised.

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The average budget utilization on expenditure was 88% of the Approved Budget as represented on the Bar chart above. This was due to budget cuts and lack of exchequer Releases.

During the period under review, the State Department implemented three programs and five sub-programs; General Administration, Planning, and Support Services program, with the Water Policy Management sub-program; the Water Resources Management program, with the Water Resources Conservation and Protection and Transboundary Water sub-programs; and the Water and Sewerage Infrastructure Development program, with the Sewerage Infrastructure Development and Sanitation Infrastructure Development & Management sub-programs.

The State Department formulated various policies plans, systems, and mechanisms to gradually achieve universal access to water and sanitation. This was to be accomplished through both short-term and long-term interventions, including increasing water harvesting and storage capacity, constructing and expanding sewerage systems, developing and expanding water supply networks, and implementing sewerage and sanitation programs.

State Department for Water and Sanitation

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In the period under review, the Water (Amendment) Act 2024 was assented to, while the Water Harvesting and Storage Regulations (2025), Water Resources Regulations (2025), and Water Services Regulations (2025) were published. Sessional Paper No. 7 of 2024 (National Sanitation Management Policy) was finalized and published. The development of the Transboundary Policy is ongoing, while the Kenya Water Training and Research Institute (KEWATRI) Bill is awaiting national validation before being forwarded to the Cabinet for consideration and approval. Additionally, the Hydrologist (Amendment) Bill 2023 was developed, underwent public participation, and forwarded to the Attorney General.

Similarly, during the period under review, access to national water services increased from 73% in 2023/24 to 74%, while access to safely managed sanitation rose from 33% to 40.9% over the same period. This progress was largely driven by the completion of major water and sanitation projects, including the construction of the Kahawa West, Githurai 44 & 45, and Kahawa Sukari reticulation sewers; Nandi Hills Water Supply and Sewerage Project; Chogoria Sewerage Project; Chuka Sewerage Project; Chuka Water Supply Project; Eldoret Town last mile connectivity; Makutano Water and Sewerage Project; and the rehabilitation and duplication of the Dandora Waste Water Treatment Plant (DEWWTP) inlet. In addition, 58 community and school water projects were completed, while 37 projects were implemented, reaching 179,820 people with water and sanitation services in underserved and unserved areas. Furthermore, 22 additional projects were carried out in ASAL regions, benefiting a further 411,887 people.

Furthermore, the Water and Sanitation Development Project (WSDP), currently at 76% completion rate, which will enhance access to water services for approximately 2.02 million people in Kenya's coastal region and marginalized North Eastern counties upon completion. The State Department has also begun implementing the Horn of Africa Groundwater for Resilience Regional Program (at 15%), which aims to increase sustainable access to and management of groundwater in the Horn of Africa borderlands. This program targets the rehabilitation of 400 rural water schemes, benefiting approximately 1.5 million people in Mandera, Garissa, Wajir, Turkana, and Marsabit counties. Furthermore, the K-WASH Program (at 5%), a component of the Kenya National Water and Sanitation Investment and Financing Plan (NAWASIP) 2022-2030, is ongoing. This initiative aims to benefit 4 million people, including 320,000 refugees and 400,000 host community members.

The State Department fast-tracked the construction of large multipurpose dams, including Thwake Dam (95% complete), which will supply 150,000 cubic meters of water per day to Makueni County, including Konza City. Additionally, 58 water pans, sand dams, and small dams were developed in various parts of the country, achieving over 2 million m³ of surface water storage.

Under the National Transboundary Water Resources Management Programme, key achievements included the implementation of 21 Sub-Catchment Management Plans, rehabilitation of 36 hydrological and rainfall stations (12 upgraded to telemetry), and completion of the Dandora Waste Water Treatment Plant (Lot 1). The Angololo Dam project progressed to the resource mobilization stage following a bilateral agreement between Kenya and Uganda, with designs, RAP, and ESIA finalized. Additionally, 40 km of sewer lines were upgraded, 25 ablution blocks constructed, and 111.5 km of riparian zones along the Nairobi and Ngong Rivers marked and pegged.

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The State Department embarked on several initiatives aligned with the Bottom-Up Economic Transformative Agenda (BETA) to enhance water security for irrigation, domestic, industrial use, and hydropower generation through Public-Private Partnerships (PPP). To achieve this, fifty-six dams with a combined storage capacity of 8.16 BCM were considered, targeting to benefit 19,214,705 people with domestic water. Eight dams received Privately Initiated Proposals (PIPs), with two proposals the Sabaki Carrier and Lamu Advanced Desalination Plant projects at the negotiation stage, having received PIP approvals. The Londiani Dam Water Supply and Irrigation Project, Maragua IV, Mzima II Pipeline, Ndarugu II, Two Rivers, and Deep-Sea Desalination Projects are currently at the project development stage, undergoing due diligence and evaluation.

The sub-sector continues to face several challenges, including inefficiency of Water Service Providers (WSPs) resulting in high Non-Revenue Water averaging 44%, reduced revenue collection, and delayed payment of legacy debts and loans. The high cost of Resettlement Action Plans (RAPs), driven by escalating land compensation prices and lengthy acquisition timelines, poses a major obstacle to water and sewerage infrastructure development, often delaying project implementation. Slow project execution is further compounded by inadequate funding, delayed disbursements, and insufficient counterpart financing, leading to pending bills. Pollution of water resources from low sewerage coverage (16%) and industrial effluent discharge threatens water quality and public health, while encroachment and improper land use along riparian areas reduce water quantity and quality through siltation, diminished river flows, and increased water treatment costs.

Coordination and collaboration challenges between national and county governments have also delayed project schedules, hindered last-mile connectivity, and led to vandalism of critical infrastructure. Additionally, non-recovery of loans for donor-funded infrastructure transferred to counties has created fiscal deficits, as revenues have not been remitted to the National Treasury. Rising demand for water and sanitation services, fueled by population growth and urbanization, continues to outpace investment levels in the sector, while frequent delays in passing the County Government Additional Allocation Bill (CGAAB) have limited absorption of donor funds. The high cost of energy for water production further impacts the affordability of water services.

To address these challenges, the State department will focus on interventions aimed at improving efficiency, financing, and coordination. This includes strengthening performance monitoring, building technical capacity, and promoting smart metering and leak detection to reduce high Non-Revenue Water (NRW). Land-related delays and costs will be mitigated through early acquisition, standardized compensation frameworks, land banking, and alternative resettlement options. Project implementation will be accelerated by prioritizing ready-to-implement initiatives, ensuring timely fund disbursements, and adopting blended financing models such as Public-Private Partnerships (PPPs). To curb pollution, sewerage infrastructure will be expanded, effluent discharge regulations enforced, and decentralized wastewater treatment promoted. Riparian zones will be gazetted and protected, land use regulations enforced, and communities engaged in catchment protection to prevent encroachment and land degradation.

Institutional and financial measures will include operationalizing sector forums, harmonizing implementation protocols, and promoting joint planning to enhance intergovernmental coordination. A clear revenue-sharing framework will be established, with revenues ring-

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fenced for debt servicing at the county level to recover loans for donor-funded infrastructure. Investments will be aligned with demographic trends, decentralized systems promoted, and private sector participation increased to meet rising service demand. The County Government Additional Allocation Bill (CGAAB) will be fast-tracked through timely consultations and streamlined disbursement mechanisms to improve donor fund absorption. Additionally, energy-efficient technologies and renewable energy use will be promoted in water production and treatment to lower high energy costs.

In conclusion, the State Department recognizes that water and sanitation services are fundamental pillars for food security, public health, and socio-economic development. This report provides critical data and insights to guide the State Department, its Agencies, Parliament, and other sector stakeholders in formulating evidence-based policies and strategies aimed at achieving national water security and efficient water resource management. We remain committed to fostering collaboration, innovation, and sustainable investments to ensure that every Kenyan has access to safe, reliable, and affordable water and sanitation services, thereby securing our nation's future



Julius Korir, CBS

PRINCIPAL SECRETARY

7. Statement of Performance against Predetermined Objectives for FY 2024/2025

The State Department's Strategic Plan (2023-2027) provides a foundation for realizing its broad mandate, which includes Water Resources Management Policy and Standards; Water Catchment Area Conservation, Control, and Protection; Water and Sewerage Services Management Policy; Wastewater Treatment and Disposal Policy; Water Quality and Pollution Control; Sanitation Management; Management of Public Water Schemes and Community Water Projects; Kenya Water Security and Climate Resilience Project, and Water Storage and Flood Control.

The plan is guided by key laws and policies, including the Constitution of Kenya 2010, the Water Act 2016, the Kenya Water Institute (KEWI) Act 2001, and Legal Notice Number 252 of 2015, as well as several national and international performance and policy instruments, among them Vision 2030, the Kenya Kwanza Government's Bottom-up Economic Transformation Agenda (BETA), the East African Community Agenda 2050, Africa Agenda 2063, and the Global SDGs. These laws and policies emphasize the need for efficiency and better management in the utilization of natural resources to enable the government achieve its strategic goals of economic growth, poverty reduction and social stability.

During the 2023-2027 plan period, the State Department will focus on six key result areas: Policy, Legal, Sector Coordination Framework; Management, Protection, and Conservation of Water Resources; Water and Sanitation Access; Partnership and Resource Mobilisation; Water Harvesting and Storage and Institutional Capacity Strengthening. For each of these areas, strategic objectives, strategies, and activities have been outlined to guide the implementation of the plan.

The Strategic Plan serves as a reference for the State Department to develop Annual Work Plans (AWPs) that are aligned with the budget allocated for each financial year. The AWPs detail the specific activities from the Strategic Plan to be carried out within the year and outline the Key Performance Indicators, delivery timelines, and the responsible Directorates, Departments, or Units. The annual work plans shall be the basis of the performance contracts of which the top management will commit annually to ensure efficient service delivery. The Performance Contract will then be cascaded to all departments and further to staff through performance appraisal.

The Strategic Plan guides the State Department in preparing Annual Work Plans (AWPs) that align with the budget for each financial year. These AWPs outline the specific activities to be implemented from the Strategic Plan, together with their Key Performance Indicators, timelines, and the responsible Directorates, Departments, or Units. The AWPs will form the basis for performance contracts, which the top management will commit to annually to ensure efficient service delivery. These performance contracts will then be cascaded to all departments and further down to individual staff through performance appraisals.

The key development objectives of the Ministry's 2023-2027 plan are to:

1. To enhance governance and service delivery through the review, formulation, and implementation of legal, policy, and sector coordination framework
2. To improve fresh water availability per capita from 450M3 in 2022 to 550M3 in 2027
3. To increase the proportion of the national population with access to clean and safe water in adequate quantities from 70% in 2022 to 80% by 2027
4. To increase the proportion of the national population with access to Safely managed sanitation from 30% in 2022 to 65% by 2027, urban sewerage 16% in 2022 to 25% by 2027 and elimination of ODF
5. To sustainably finance the Sector
6. To increase water storage per capita from 107M3 in 2022 to 234 M3 by 2027
7. Enhance Human Capital and Operational Efficiency.
8. Promote evidence-based decision-making in the water sector

Progress on the attainment of Strategic objectives through Performance Contracting

The second year (FY 2024-25) implementation of the 2023-2027 Strategic Plan was reviewed, and the findings on the extent of the results achieved during this period are summarized in the table below;

Program	Strategic Objective	Outcome	Outcome Indicator	Target	Achievement	Variance	Comment
Policy, legal, and institutional framework	To enhance governance and service delivery through the review, formulation, and implementation of legal, policy, and sector coordination framework	Water Sector Governance and service delivery enhanced	Customer satisfaction index	100	100	Nil	<ul style="list-style-type: none"> • Water (Amendment) Act 2024 assented to • Water Harvesting and Storage Regulations (2025), Water Resources Regulations (2025), and Water Services Regulations (2025) published. • Sessional Paper No. 7 of 2024 (National Sanitation Management Policy) was finalized and published
Management, protection, and conservation of Water Resources	To improve fresh water availability per capita from 450M3 in 2022 to 550M3 in 2027	Per capita freshwater endowment increased	Total Renewable Water Resources (TRWR) per capita in m3/yr	491.2	452	39.2	This is a result of rising water demand from key economic sectors, catchment degradation, encroachment of riparian land and wetlands, pollution, uncontrolled and unregulated use of water resource, climate variability and climate change and limited technical and enforcement capacities
			Level of water stress:	29.8	33.2	(3.4)	total water withdrawals remain limited relative to available

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Program	Strategic Objective	Outcome	Outcome Indicator	Target	Achievement	Variance	Comment
			freshwater withdrawal as a proportion of available freshwater resources over time (%)				renewable resources, due to underdeveloped infrastructure, high water demand, and underutilization of groundwater.
			Proportion of transboundary basin area with an operational arrangement for water cooperation (%)	27	26.8	.2	Development of MOU for the Merti aquifer is ongoing (Kenya and Somalia) through the Horn of Africa programme
Water and Sanitation Access	To increase the proportion of the national population with access to clean and safe water in adequate quantities from 70% in 2022 to 80% by 2027	Increased access to safe water in urban and rural areas	Proportion of national population with access to safe water	74	74	Nil	
			Proportion of urban population with access to safe water service	89	91	(2)	Attributed to completion of projects under projects under Kenya Towns, Kenya National Urban Water and sanitation Program

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Program	Strategic Objective	Outcome	Outcome Indicator	Target	Achievement	Variance	Comment
			Proportion of rural population with access to safe water service	62.8	65	(2.2)	Achieved through completion of community water projects, drilling, equipping and solarisation of boreholes in various parts of the country
	To increase the proportion of the national population with access to Safely managed sanitation from 30% in 2022 to 65% by 2027, urban sewerage 16% in 2022 to 25% by 2027 and elimination of ODF	Increased access to safely managed sanitation services in urban and rural areas	Proportion of the national population using safely managed sanitation services	33	40.9	(7.9)	Attributed to completion of major projects under projects under Kenya Towns, Kenya National Urban Water and sanitation and Nairobi Rivers Basin Rehabilitation and Restoration Programme (Narsip II).
Proportion of urban population with access to safely managed sanitation service			16	16	Nil	Despite the completion of major sewerage project in urban town, the coverage remains the same due an increase in the proportion of population in urban centres	
Proportion of rural population with access to improved sanitation service			63	56	7		

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Program	Strategic Objective	Outcome	Outcome Indicator	Target	Achievement	Variance	Comment
Partnerships and Resource Mobilization	To sustainably finance the Sector	Financial sustainability	Proportion of amount raised of total requirement	100	28	72	Resource requirement of Ksh. 121.4Billion against allocation of Ksh. 33.3Billion
Water harvesting and storage	To increase water storage per capita from 107M3 in 2022 to 234 M3 by 2027	Increased volume of water harvested and stored	Water storage per capita in m3	157.8	108	49.8	Construction of large multi-purpose dams still ongoing. Additional water harvested from completed water pans/small dams
			Volume of water harvested and stored in Million m3	7,786.04	1.65	6,721.04	
Institutional Capacity Strengthening	To Enhance Human Capital and Operational Efficiency	Improved competence and productivity	Productivity Index	1	-	1	
	To promote evidence-based decision-making in the water sector	Evidence-based decision-making processes	Proportion of research outputs informing decisions	100	100	Nil	
			Proportion of actions taken based on M&E recommendations	100	100	Nil	Quarterly and Annual M&E undertaken

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8. Governance Statement

1. Management Committees established and their roles

i) Productivity Mainstreaming Committee

To oversee budget proposals and implementation during the financial year, proper Utilization, prudence use of resources.

S/ No.	Name	Department	Role
1.	Eng. Alima SAO	WS	Chairperson
2.	Rolex Kirui	Planning	Secretary
3.	Alber D. Mokuia	HRM&D	Member
4.	Evans Mokuia	HRM&D	Member
5.	Samuel Ngugi	WIDM	Member
6.	Dan Owino	ICT	Member
7.	Videsio Mwaniki	TWR	Member
8.	Dorcus Wasike	Accounts	Member
9.	Naboth Otao	Finance	Member
10.	Calvince Ouma	Supply chain mgt.	Member
11.	Sheilla Muriithi	Admin	Member
12.	George Bokesia	DSM	Member
13.	Carrey Owiti	Water Resources	Member
14.	Eng. Steven Ogello	WIDM	Member
15.	Ruth Mulwa	NWR	Member

iii) Ministerial Human Resource and Advisory Committee

Advise the ministry on issues human capital.

S/ No.	Name	Department	Role
1.	Stephen Kihara	SA	Chairperson
2.	Alber D. Mokuia	HRM&D	Secretary
3.	Andrew Kinyua	DNWR	Member
4.	Martin Ngaa	DWS&FC	Member
5.	Simon Korir	DWID	Member
6.	Gladys Wekesa	DTW	Member
7.	Robert Osano	Finance	Member
8.	Grace Kimitei	Planning	Member
9.	Mary Wamaitha	DWS&SD	Member

iv) Asset Disposal Committee

Oversee the disposal of obsolete and unserviceable assets, and save the ministry from maintaining dead stock.

S/ No.	Name	Department	Role
1.	Stephen Kihara	SA	Chairperson
2.	Nancy Wando	SCMS	Secretary
3.	Charles Nzuka	Technical	Member
4.	Victor Odoyo	ICT	Member
5.	Patrick Kimathi	Finance	Member
6.	Dauglas Mutai	Administration	Member
7.	Joseph Mbote	Administration	Member
8.	Jackson Kirikwa	Technical	Member
9.	Roselyn Sitati	Planning	Member
10.	Eng. S. Ngugi	WID	Member
11.	Sheilla Muriithi	Admin	Member
12.	Humphrey Masai	Accounts	Member
13.	Richard Mutungi	Administration	Member
14.	Fredrick Mutinda	SCMS	Member
15.	Kepha G. Maiyuria	SCMS	Member

v) Corruption Prevention Committee

Checked on unethical behaviour in the organization and put in place remedies to address the same. Ensured resources were not abused.

vi) National Tree Growing and Restoration Campaign Committee.

The Ministry of Environment, Climate Change and Forestry in Kenya is responsible for the conservation and sustainable management of the environment and natural resources, focusing on climate change, biodiversity, and socio-economic transformation.

S/No.	Name	Department	Role
1.	Andrew Mware	Water Resources	Chairperson
2.	Maureen Akhonya	Admin	Secretary
3.	Joan Kilele	HRM&D	Member
4.	Kennedy Ondieki	Water Resources	Member
5.	Philip wachira	WIDM	Member
6.	Leah Wairuiru	ICT	Member
7.	Njeri Thige	Planning	Member
8.	Teresa Mutenyo	TWR	Member
9.	Rosemary Opondo	Accounts	Member
10.	Patrick Kimathi	Finance	Member
11.	Sarah Cherotich	Supply chain Mgt	Member
12.	Kipchumba Martin	Admin.	Member

vii) National Values and Principles of Governance Committee

Ensured statutory obligations of equity, fairness, transparency, accountability and core values of nationhood were upheld.

S/No.	Name	Department	Role
1.	Stephen Kihara	Admin.	Chairperson
2.	James Mbugua	Planning	Secretary
3.	Richard Mwarema	Planning	Member
4.	Stephen Ndege	WIDM	Member
5.	Daniel Owino	ICT	Member
6.	Mark Rafimbi	HRM&D	Member
7.	Stephen mokaya	TWR	Member
8.	Humphrey Maasai	Accounts	Member
9.	Eugene Buluma	Finance	Member
10.	Edna Ogutu	Supply Chain Mgt	Member
11.	Maureen Akhonya	Admin	Member
12.	Joseph Kariuki	DSM	Member
13.	Laban Agaya	NWR	Member
14.	Martin K.Kipchumba	Admin	Member

viii) Implementation of Citizen's Service Delivery and Resolutions of Public Complaints Committee.

Oversaw the prompt provision of services to Wanjiku were delivered, and complaints handled effectively.

S/ No.	Name	Department	Role
1.	Douglas Mutai	Admin	Chairperson
2.	Kavaka Wambulwa	Public communication	Secretary
3.	Douglas Mutai	Admin	Member
4.	Stacy Kabe Shimuli	HRM&D	Member
5.	John Gichara	WIDM	Member
6.	Steve Muthama	ICT	Member
7.	Claire Njiru	Water Resources	Member
8.	Roselyne Sitati	Planning	Member
9.	Humphrey Mutuma	TWR	Member
10.	Samuel Otieno	Accounts	Member
11.	Erick Mutua	Supply Chain Mgt	Member
12.	Joseph Wanjohi	SCM	Member
13.	Weldon Langat	Finance	Member

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xi) Gender and HIV/AIDS Awareness and Behaviour change mainstreaming committee

Committee oversaw that nobody was discriminated against in the work place based on gender or disability.

S/No.	Name	Department	Role
1.	Sophie opiyo	Planning	Chairperson
2.	Dorcas Atieno	DSM	Secretary
3.	Tamar Laalia Nkirote	HRM&D	Member
4.	Benedict Kalaghe	WIDM	Member
5.	Leah Gatamu	ICT	Member
6.	Sharlet Idawo	TWR	Member
7.	Sarah Muriithi	Accounts	Member
8.	Naboth Otao	Finance	Member
9.	Fredrick Mutinda	Supply Chain Mgt.	Member
10.	Zura Ali	Water Resources	Member
11.	Joseph Mbote	Admin	Member

x) Digitization of Government Services Committee

Mapping of unautomated services and documentation process work flows for digitalisation.

S/ No.	Name	Department	Role
1.	Victor Odoyo	ICT	Chairman
2.	Victoria Jeruto	ICT	Secretary
3.	Mulongo Michael	NRW	Member
4.	Rodgers omolo	HRM&D	Member
5.	Jawad Mandhry	WIDM	Member
6.	Rolex Kirui	Planning	Member
7.	Peter Koskei	TWR	Member
8.	Fredrick Mwirigi	Accounts	Member
9.	Patrick Kimathi	Finance	Member
10.	Kepher Maiyuria	Supply Chain Mngt.	Member
11.	Joseph Mbote	Admin	Member
12.	Bernard Kirui	DSM	Member
13.	Teresia Gathogo	NRW	Member

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2. Audit Committee

The current Audit Committee is fully established and consist of the following:

S/ No.	Name	Role
1.	Ms. Hannah Nyambura Ndungu	Chairperson
2.	Mr. Patrick Mutisya Mbithi	Member
3.	CPA Dr. Dorothy Chepnegetich	Member
4.	Mr. Ololchike Spencer Sankale	Member
5.	Mr. Timothy Munyole	Member
6.	Mr. John Kariuki (National Treasury Rep)	Secretary

The first meeting of the new Audit Committee was held on Wednesday, 4th, September 2024.

3. Risk Management

The State Department is fully aware of the Risky environment they are operating in. In a risk assessment conducted by the Head of Internal Audit in the month of June 2024, the Heads of Departments clearly captured the risks (in their opinion) would hinder achievement of their objectives. The report of these findings is attached herewith.

While mitigation of these risks has been undertaken through institutional arrangements and the established legal framework, a comprehensive risk management framework is underway and would be completed within the first quarter of this financial year.

4. Report on recent training and development in governance for those in key leadership

The State Department did not sponsor officers in key leadership for training due to Budget constraints.

5. Community Engagements-

The State department for water and Sanitation undertook the following CSR programs in the following areas:

Tree planting in the following catchment basins: Mwache, Lamu, Homabay and Kwale. The State department in collaboration with CBOs and Public Primary and Secondary schools, mobilised restoration of forest areas in various counties including Kakamega, Kilifi, Nakuru, Vihiga, Bomet Meru and Kericho counties. This resulted in a total of 663,466 trees planted.

In addition, the State Department also established a one- acre vegetable demonstration farm at Lodokejek Primary School in Samburu County. This will help promote nutrition of the Learners and the surrounding

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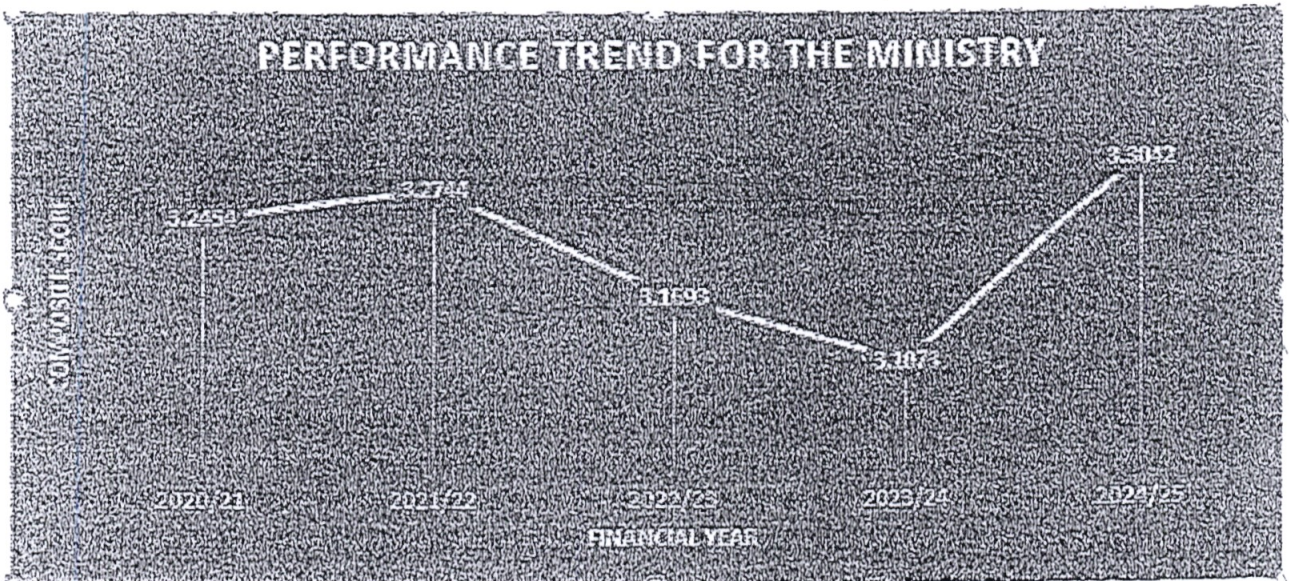
- The Constitution of Kenya articles 43d, 43c and 43b entitles every person to the right to water, reasonable standards of Sanitation as well as food security. The Constitution under Sec 6 (3) further provides that the two levels of government shall work in consultation and cooperation.

9. Management Discussion and Analysis

Since 2007, the Ministry has been implementing annual performance contracts, significantly improving the delivery of services to citizens. The Cabinet Secretary in the Ministry holds overall responsibility for the negotiation, implementation, monitoring, and evaluation of the Performance Contract for the Ministry (including the two State departments) and its State Corporations.

The Ministry of Water, Sanitation and Irrigation has maintained a "GOOD" performance grade in performance Contract evaluations over years with a composite score of 3.2454, 3.2744, 3.1693 and 3.1073 in FY 2020/2021, FY 2021/2022, FY 2022/2023 and FY 2023/2024 respectively. The performance trend is indicated in the table below;

PC performance for the Ministry



The total budget allocation for the State Department has been on a decreasing trend in the period under the review from Kshs. 66,943 Million in FY 2022/23, Kshs. 51,498 Million in FY 2023/24 and Kshs. 33,267 Million in FY 2024/25. The actual expenditure was Kshs. 48,262 Million, Kshs. 39,281 and Kshs. 30,384 Million in the FY2022/23, FY 2023/24 and FY 2024/25 translating to absorption rate of 72%, 76% and 91% respectively. The analysis is as shown in the tables below;

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Analysis of Expenditure Recurrent (Amount Ksh. Millions)

Analysis of Expenditure Recurrent (Amount Ksh. Millions)						
Economic Classification	Approved Budget			Actual Expenditure		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
GROSS	6,347	6,816	6,636	6,025	5,596	6,622
AIA	2,543	3,390	3,703	2,322	2,162	3,703
Net-Exchequer	3,804	3,426	2,933	3,703	3,434	2,919
Compensation of Employees	639	540	535	643	530	523
Transfers	5,602	6,037	6,013	5,301	4,946	6,013
Other Recurrent	107	238	88	81	120	86

Analysis of Expenditure Development (Amount Ksh. Millions)

Description	Approved Budget			Actual Expenditure		
	2022/23	23/24	24/25	22/23	23/24	24/25
GROSS	60,596	44,683	26,631	42,237	33,685	23,762
GoK	14,485	13,837	9,056	13,300	8,330	9,056
Loans	43,639	28,060	16,455	27,797	23,894	13,877
Grants	2,472	2,786	1,120	1,140	1,461	829
Local AIA	-	-	-	-	-	-

9.2 key projects or investments decision implemented or ongoing indicating source of funds, project status, project costs and amount spent this far.

To achieve Universal water and sanitation coverage by 2030, the State department is implementing programmes and projects in collaboration with Development Partners. Some of the key ongoing programs supported by Development Partners include;

Status of Key Ongoing and Pipeline Programmes and Projects

S/No	Project Code & Project Title	Financing			Development Partner	Cumulative expenditure up to 30th June 2025		% Project completion as at 30th June 2025
		Estimated cost of Project in Kshs. Millions	GoK	Foreign		GoK	Foreign	
1	1109122900 Improving Public Health and Enhancing Technical Skills of Youth in Kenya through Sanitation Technology Transfer	182	-	182	African Development Bank/ Fund	0	96	100%
2	1109112700 Water and Sanitation Development Project (WSDP)	38,000	3,000	35,000	International Development Association (IDA)	297.5	31,337	78%
3	1109128501 Kenya Water Sanitation and Hygiene	59,830	300	59,530	International Development Association (IDA)	35.17	100	4%
4	1109115200 Thwake Multipurpose Water Development Programme Phase 1 BETA	51,285	6,730	44,555	African Development Bank/ Fund	5,993	33,500	94%
5	1109102100 Nairobi Rivers Restoration Basin Programme-Phase 2	8,600	600	8,000	African Development Bank/ Fund	375.33	6,000	91%
6	110912600 Horn of Africa - Ground Water for resilience Programme	13,500	-	13,500	International Development Association (IDA)	-	1,529	16%

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7	1109119000 National Water Harvesting and Ground water Exploitation	11,000	11,000	-	GoK	4,892	0	44%
8	1109101300 Extension of Nairobi Water Supply (Northern Collector)	12,358	2,308	10,050	Government of France (AFD)	1,912	9,768	99%
9	1109101100 Nairobi Satellite Towns Water and Sanitation Program	3,636	293	3,343	Government of Germany (KFW)	273	3,343	92%
10	1109108100 Thika and Githunguri Water and Sanitation Project	7,052	100	6,952	Government of Denmark (DANIDA)	46.96	329.4	15%
11	1109109900 Ithanga Water supply Phase III	2,085	400	1,685	Government of Belgium	120.636	1,117	90%
12	1109100800 Water Sector Development (Lake Victoria South) (Kericho, Kisii, Nyamira, Litein)	4,808	641	4,167	Government of Germany (KFW)	589	3,674	95%
13	1109102000 Lake Victoria Water and Sanitation Initiative -Phase II (Kericho, Keroka and Isebania)	1,505	489	1,016	AFD, EIB and EU & GOK	599	3,874	100%
14	1109103300 Support to Waste Water Management to Lake Victoria South	2,530	230	2,300	Government of Germany (KFW)	30	173	11%
15	1109103400 Kisumu Water Supply, LWATSAN	8,850	1,150	7,700	Government of France (AFD)	398	2,787	25%
16	1109105400 Sirisia-Chwele (Koica) Phase 2	550	150	400	Government of Korea (KOICA)	144	400	99%
17	1109104400 Kiambere –Mwingi Water Supply and sanitation project Phase II	1,670	350	1,320	Government of Italy	214	0	5%

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18	1109109000 Chemususu Dam Water Supply Project (Including Additional Works)	5,750	5,750	-	GoK	3,817	0	Baringo Comp-100% Progress for Nakuru works is 72.5%
19	1109100600 Rehabilitation of Water and Sanitation - Kirandich Phase II	3,080	380	2,700	Government of Italy	274	652	37%
20	1109111800 Lake Nakuru Biodiversity Improvement Water Project	7,500	979	6,521	Government of Germany (KFW)	73	596	2%
21	1109114100 Dongo Kundu Water Supply BETA	500	500	-	Gok	415	-	83%
22	1109115600 Improvement of drinking water and sanitation systems in Mombasa - Mwache Dam Phase II	15,067	1,507	13,560	Government of France (AFD)	802	1191	11%
23	1109111300 Mwache Water Pipelines Extensions	2,000	2,000	-	Government of France (AFD)	796	0	70%
24	1109100900 Water Sector Development (Support WSTF)	1,984	473	1,511	Government of Germany (KFW)	335	1,079	94%
25	1109105000 Water Supply and Sanitation for the Urban Poor - KfW-Phase IV	1,771	506	1,265	Government of Germany (KFW)	81	653	73%
26	1109112300 Ending drought Emergencies Support to drought Risk Management	2,825	453	2,372	European Union (EU)	198	1,872	80%
27	1109114201 The Saudi Programme for Drilling of Wells and Rural Development in Africa	600	100	500	Government of Saudi Arabia	22	0	10%
28	1109122600 Sustainable Management and Access to	1,420	190	1,230	Government of Denmark (DANIDA)	37	1230	82%

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	Water and Sanitation in the ASALs (SWASAP)							
29	1109122000 Nairobi Water and Sanitation Project, CKE 1135	13,004	600	12,404	Government of France (AFD)	73	3,209	25%
30	1109107800 Kenya Town Sustainable water Supply and Sanitation Programme	43,092	5,126	37,966	African Development Bank/ Fund	3,359	32,545	91%

7.3 Future developments and any other information considered relevant to the users of the financial statements.)

The State department has finalized preparation and secured funds for the following key programs/projects;

Key Pipeline Projects

	Project Name	Development Partner	Project Cost (million)	Remarks
1	National Urban Water Supply and Sanitation Program	ADB	USD 441	This is a 5 years' program 2024-2029 that will benefit 24 towns in 16 counties with water and sewerage projects. The programme will also create more than 15,000 people employed directly or indirectly during construction and after construction of the projects
2	Mwache Downstream Works	EIB	Euros 106	Financing Gap for construction of pipelines to improve the living standards and economic growth of the people in Mombasa
3	Naivasha Industrial Park LMC -Water reticulation systems and Naivasha Sewerage Project	GoK	Ksh. 266	The 2nd phase includes a reticulation system within the Industrial Park for off-takes from the main line and a Sewerage system to serve Naivasha town and the Industrial Park.
4	Ooloolunga Dam and Water Supply	KOICA	Ksh. 493	The Concept has been prepared, proposed to be funded under Korea International Cooperation Agency (KOICA)
5	Water & Sanitation Programme (PIF)	Government of Finland	Ksh. 2,800	Improving water and sanitation access for development of effective policies, practices and actions to promote governance

2. Environmental and Sustainability Reporting

a) Sustainability strategy and profile

The ministry has developed and submitted the National Water Policy to the Cabinet for approval. The ministry has also engaged a consultant to develop various regulations under: Water Services, Water Resources, Water Harvesting and Storage and the Water Tribunal to guide on implementation of the Water Act 2016.

The ministry has also drafted various strategies under: Water Services and Sanitation, National Water Resources Management, Water Harvesting and Storage.

To implement the planned programmes and projects, the ministry needs adequate resource allocation. The budget has been enhanced from Ksh. 60 Billion to Ksh.65 Billion. the ministry acts as an enabler to the "Big Four Agenda" through its various initiatives that include: Dongo Kundu water project in Mombasa, Economic Processing Zone in Athi river, and Industrial Park at Naivasha.

The ministry oversees many projects and as a result 160 projects have been completed under NEIP, 9,900 acres have been rehabilitated and under production, 7,100 water pans constructed and 32 small dams rehabilitated across 20 Counties.

The ministry has also supported the Building Bridges Initiatives by connecting 100 schools to clean water, building 100 pans with total water storage capacity of 2.1 trillion cubic metres, completing 118 boreholes in ASAL and 67 water projects are at different stages of completion.

The ministry of water has brought together different stakeholders by organizing the Kenya Sanitation Conference from 25th to 31st October 2019 which was attended by 1,800 stakeholders from all over the world to discuss various Sanitation matters.

b) Environmental performance /climate change/ mitigation of natural disasters

Through the National Water Policy (Sessional Paper No. 1 of 2021), the State Department in compliance with national climate change legislation, undertook to put in place mechanisms to mainstream climate change considerations in all aspects of water sector planning and decision making, and further, integrate disaster risk reduction to protect water sector investments, public safety and ensure sustainable water resources management.

Specifically, the Ministry is charged with the following particular functions germane to climate change: -

- i) Mainstream climate change in the water sector to safeguard the sector from adverse effects of climate change by promoting adaptation and mitigation actions at national, basin and county levels.
- ii) Implement the requirements of the national climate change legislation and policy to mainstream climate change consideration in the water sector, including implementation of the National Climate Change Action Plan into the plans and activities across the water sector.
- iii) Help in establishing climate change units in all water sector institutions, as required by national climate change legislation, for coordination of climate change mainstreaming at institutional level and
- iv) Develop and implement a strategy for the water sector to leverage and access climate finance to support implementation of water sector actions for mainstreaming climate change.

The State Department plays a pivotal role in achieving the objectives outlined in the Water Policy, the National Climate Change Response Strategy and its associated National Climate Change Action Plan (NCCAP) III. In alignment with the Nationally Determined Contribution (NDC), the sector is committed to implementing both mitigation and adaptation measures. These include initiatives such as catchment protection and restoration, regeneration of riparian reserves, adoption of energy-efficient green technologies, and climate-proofing infrastructure within the sector.

The State Department, other than establishing the Climate Change Unit, has specifically engaged in: -

- i) Tree Planting – with a target of 5,000,000 trees annually, the Ministry and the Water Sector Institutions have so far collectively planted 1,019,531 trees.
- ii) Commenced amendments to the Water Regulations to enhance the protection and use of riparian areas and wetlands across the country.
- iii) Enhancing the capacity of Water Sector Institutions through the proposed amendments of the Water Act, 2016 and amending the Regulations made thereunder to give the Institutions regulatory power, expanded capacity and reach.

c) Employee welfare

Hiring Policy.

The state department for Water and Sanitation is like any other Agency of the government under established by the Public Service Commission. The State department applies Policies and Regulations developed and reviewed by Public Service Commission from time to time.

The Hiring guidelines are entrenched in the Human Resource Policy and Procedure Manual 2016 issued by Public Service Commission.

The Policy has the provision requirement of at least 5% threshold criteria for consideration when conducting recruitment as set out in Persons with disabilities Act 2023

The Public Service Commission delegates hiring Authority to the Authorized Officers in the respective Ministries/ State Departments and Agencies.

In the year under review the State Department did not undertake recruitment exercise and still upholds the current policy and guidelines set in the Human Resource Policy and Procedure Manual 2016.

The Human Resource Policy and Procedure Manual is undergoing Stakeholders engagement and the Draft format is still in a draft format dated 2023.

Upon Finalization of in cooperation of stake-holders views and suggestions it will be launched and Published for application.

Improving Skills and Managing Careers

The State Department established Human Resource Development Committee to manage the training component in a systematic and transparency to its staff. The training has been classified majorly into three Main parts, Technical Courses, Mandatory Promotional Courses and Continuous Progression Development Courses that keep on improving skills of the officers in the State Department.

In the year under review the State Department was able to training the following number of Officers;

1. Technical Courses 5 Officers
2. Continuous Progression Development Courses 4
3. Industrial Attachment 48
4. Internship under Public Service Commission Internship Program 25

The State Department Developed a Training Needs Assessment Report to Address the exiting gaps in the State Department

Appraisal and Rewards System

The State Department for Water and Sanitation Established Performance Management Committee to evaluate on compliance levels, appraise, recommend rewards and Suctions and re training plan.

In the year under review their no officers who scored over 101 to qualify for rewards. Additionally, there was no officer who scored below 50% to be placed on Suction or Training Plan.

Safety and Compliance with Safety and Health Act of 2007

The state Department has endeavoured to comply with safety measures guidelines by ensuring of the following thematic areas;

- Well light offices
- Spacious walk path.
- Ram for People with Disability
- Wash rooms for People with Disabilities
- Fire Precaution Sign
- Fire Extinguishers were placed strategically on each floor.
- Fire Water horse pipes have been fitted

The State Department applies Safety and Health Act of 2007. In the year under review four Claims of officers were processed and forwarded for consideration

d) Operational practices

The organisation should outline its efforts towards:

Responsible Supply chain and supplier relations (explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.)

e) Community Engagements-

The State Department for Water and Sanitation undertook the following CSR programs in the following areas:

Tree planting in the following catchment basins: Marakwet, Kinale Forest, Lamu, Kimana, Namanga and Bomet. The State department in collaboration with CBOs and Public Primary and Secondary schools, mobilised restoration of forest areas in various counties including Kakamega, Kilifi, Nakuru, Vihiga, Bomet, Meru and Kericho Counties.

In addition, the State Department also established conducted CSR activities during the World Water Day celebrations in Marakwet. This included donation of water tanks, development of model farms, and donated food to two institutions.

3. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government State Department for Water and Sanitation shall prepare financial statements in respect of that MDA. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the State Department for Water and Sanitation is responsible for the preparation and presentation of the MDA's financial statements, which give a true and fair view of the state of affairs of the State Department for Water and Sanitation for and as at the end of the financial year (period) ended on June 30, 2025. 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 MDA, (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 MDA; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the *State Department for Water and Sanitation* accepts responsibility for the MDA's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *MDA's* financial statements give a true and fair view of the state of *MDA's* transactions during the financial year ended June 30, 2025, and of the *MDA's* financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the *MDA*, which have been relied upon in the preparation of the *MDA's* financial statements as well as the adequacy of the system of internal controls.

The Accounting Officer in charge of the *State Department for Water and Sanitation* confirms that the State Department for Water and Sanitation has complied fully with applicable

State Department for Water and Sanitation
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Government Regulations and the terms of external financing covenants (where applicable), and that the MDA's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the MDA's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

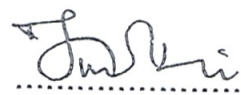
Approval of the financial statements

The MDA's financial statements were approved on 5/12/2025 2025 and signed by:



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Julius Korir, CBS
Principal Secretary



.....

Dr. CPA Jennifer Owino
Head Accounting Unit
ICPAK M/No.13143

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REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR WATER AND SANITATION FOR THE YEAR ENDED 30 JUNE, 2025

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 transitional IPSAS financial statements of State Department for Water and Sanitation set out on pages 1 to 51, which comprise of the statement of financial position as at 30 June, 2025 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of State Department for Water and Sanitation as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual basis (including the transitional provisions permitted under IPSAS 33) and comply with the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Statement of Cash Flows

The statement of cash flows reflects cash and cash equivalents at the end of the period of Kshs.301,333,989. However, review of the cashflow from financing activities reflect an adjustment of return to exchequer of Kshs.1,160,484 which was not supported with a bank transaction detail. Further, included in the cash flow statement is increase in the retention and deposit Kshs.22,268,521 as an investing activities. However. the same is not investing activity in nature.

In the circumstances, the accuracy and completeness of the cashflow statement could not be confirmed.

2. Unsupported Adjustments on Statement of Changes in Net Assets

The statement of changes in net assets reflects the total accumulated surplus balance of (Kshs.583,018,391). Included in this statement are adjustments for assets as per valuation of Kshs.63,911,963. However, the valuation report to support the figure was not provided for audit review. Further, adjustment to deficit for the period by returns to exchequer of Kshs.1,160,484 was too not supported.

In the circumstances, accuracy and completeness of Statement of changes in Net assets could not be confirmed.

3. Cash and Cash equivalent – Dormant Account

The Statement of Financial Position reflects Cash and Cash Equivalents amounting to Kshs.301,333,990. Examination of schedule of bank accounts maintained by the State Department revealed that included was a dormant bank account, under the name of Kenya Italy Debt Project. The account has remained inactive since 2022 when the related project was completed.

However, key financial records including bank statements, cashbooks and bank reconciliation statements for the dormant account were not provided for audit verification. Therefore, it was not possible to verify whether there has been any

balance in this account. Management did not provide the explanation unto why the account was not closed after the completion of the project.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.301,333,390 could not be confirmed.

4. Outstanding Imprests

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.1,779,724 as disclosed in Note 14 to the financial statements. However, included in the balance was Kshs.919,512 which has been outstanding for over two years and no recoveries have been made. The supporting document indicated that some of the employees who did not surrender the imprest retired from employment before the recoveries were made. While others moved to other Government Departments making recoverability of the outstanding imprest uncertain. Regulations 93(5) and (6) of the Public Finance Management (National Government), Regulations,2015 provides that a holder of temporary imprest shall account or surrender the imprest within seven (7) days after returning to duty station.

In the circumstances, the recoverability of the outstanding imprest of Kshs.919,512 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the State Department for Water and Sanitation 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

Budget Performance and Presentation

The statement of comparison of budget and actuals reflects final budget of Kshs.33,267,486,537 and actual receipt on comparable basis of Kshs.26,351,482,603 resulting to underfunding of Kshs.6,916,003,934 or 20%. Similarly, the statement of comparison of budget and actual amounts reflects final budget of Kshs.33,267,486,537 against an actual expenditure of Kshs.26,330,595,479 resulting to underutilization of Kshs.6,936,891,058 or 21%.

The underfunding and underutilization may have hindered implementation of planned activities, impacting negatively on the service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

1. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under Report on Financial Statements and Report on Lawfulness and effectiveness in use of Public Resources. However, as indicated in the Progress on Follow Up on Prior Year Auditor's Recommendations section of the financial statement, all these issues had not been resolved as at 30 June, 2025. Management had not provided any satisfactory reasons for the delay in resolving the prior year audit issues for 2023/2024 as detailed below.

No.	Financial Year	Audit Issues
1	2023/2024	Long outstanding retention and deposits
2	2023/2024	Long outstanding imprests and advances
3	2023/2024	Slow implementation of projects
4	2023/2024	Boreholes with no yield or low yield of water
5	2023/2024	Non - compliance with law of gender balance
6	2023/2024	Unauthorized reallocation of grants
7	2023/2024	Lack of stakeholders' communication policy
8	2023/2024	Lack of risk management policy

2. Issues Raised in the Previous Report of 2020/2021 not Resolved by Management as Directed by Parliament

Parliament had directed the State Department to resolve fifty-one (51) issues which were listed in the report of 2020/2021. Review of the implementation report provided by the State Department for the implementation of prior years' reports by external auditors revealed the twenty-four (24) audit issues whose recommendations had not been implemented as detailed in **Appendix 1**

This was contrary to Section 53 of the Public Audit Act, 2015 which requires the Accounting Officer of a state organ or public entity within three months after Parliament has considered and made recommendations on the audit report take the relevant steps to implement the recommendations of parliament on the report of the Auditor-General; or give explanations in writing to the Parliament on why the report has not been acted upon.

Other Information

Management is responsible for the Other Information set out on page iii to xlvi which comprise of Key Entity Information and Management, Statement of Governance, Statement by the Cabinet Secretary, Statement by the Principal Secretary, Statement of Performance Against Predetermined Objectives for the year, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the State Department'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. In my opinion I confirm that the Other Information is not materially inconsistent with the financial statements

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, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Unsatisfactory Implementation of Projects

The statement of financial performance reflects transfers to other government entities amounting to Kshs.26,341,925,507 as disclosed in Note 11 to the financial statements. Included in this amount were payments that were made in respect to the construction and implementation of water sector projects. However, review of project records and subsequent physical verification revealed several shortcomings in the implementation of the projects, as outlined below;

1.1. The Desilting and Augmentation of the Siroriondo Water Pan – Bomet County

The State Department entered into a contract on 21 March, 2025 for Lot 1 at a contract sum of Kshs.24,256,073. The works commenced on 29 March, 2025, with a contract period of six months, and the implementation status report prepared in May, 2025 indicated 85% completion. As at the time of audit, a total of Kshs.19,034,965 had been paid. However, physical inspection conducted in July, 2025 established that the water pan and associated facilities including two toilets and two bathrooms appeared to have been constructed on privately owned land. No land ownership or acquisition documents were presented for audit verification, resulting in uncertainty over the public's continued access to the facility should the landowner deny entry.

1.2. Desilting and Augmentation of the Cheboyo Water Pan- Bomet County

The State Department entered into a contract on 21 March, 2025 for Lot 3 at a contract sum of Kshs.27,192,808. The works commenced on 29 March, 2025 with a contract period of six months, and the implementation status report prepared in May, 2025 indicated 75% completion. As at the time of the audit, payments totaling Kshs.19,034,965 had been made. Physical verification conducted in July 2025 revealed that the water pan may have been on privately owned land since no ownership documents were availed for audit verification.

Further, the water pan demonstrated signs of poor workmanship. The audit noted inadequate compaction of the embankment walls, resulting in breakage and inability of the structure to retain water. This raised significant concerns regarding the integrity of the civil works, the safety of downstream communities, and the long-term durability of the water pan.

In the circumstances, the intended purpose and value for money on the expenditure on desilting and augmentation of water pans could not be confirmed.

2. Completed Boreholes with Low or No-Productivity

The State Department entered into various contracts for the drilling, equipping, and civil works of boreholes across several locations. However, review of project documentation and subsequent physical verification carried out in July, 2025 revealed notable anomalies.

2.1. Shivagala Primary School Borehole Project in Shinyalu Constituency - Kakamega County

The State Department entered into the contract on 16 May, 2023 at a contract sum of Kshs.9,290,150. According to the project implementation status report as at June, 2024, the project was reported as complete and a total of Kshs.9,270,830 had been paid by the time of the audit. However, physical verification conducted in July, 2025 revealed that the borehole did not have water. Interviews with the School Management and community members indicated that from the time the project was completed, the water yield had consistently been very low. As a result, the community has not benefited from the project despite full payment and completion of the project.

2.2. Matisi Kwa Hamisi Primary School Borehole in Saboti Constituency - Kitale County

The State Department entered into a contract on 16 May, 2023 at a contract sum of Kshs.9,822,678. The project implementation status report indicated that the project was completed, with a completion certificate issued on 24 November, 2023, and a total of Kshs.9,882,678 paid as at the time of audit. However, physical verification in July, 2025 established that the borehole did not have water at the time of inspection. Interviews with the School Management and community revealed that, since completion, the borehole had consistently produced extremely salty water and even then, only for about two hours per day hence, the community has not benefited from the project.

In the circumstances, it is unclear whether a proper feasibility study was undertaken to ascertain the viability of the boreholes and the suitability of the water for human consumption before project implementation.

3. Avoidable Interest on Delayed Payments

The State Department entered into a contract with a Corporation on 14 February, 2020 at a contract sum of Kshs.889,397,521 for the Maragua Bulk Water Supply and Irrigation Project. The contract commenced on 16 July, 2020 with an initial completion date of 15 January, 2022, later extended to 15 July, 2022 at no additional cost. Interim Payment Certificate (IPC) No. 10 amounting to Kshs.103,280,576 was approved, but only Kshs.50,000,000 was paid. Included in the approved certificate was interest of Kshs.8,793,705 arising from delayed payments.

In the circumstances, the value for money on the interest payable of Kshs.8,793,705 could not be confirmed.

4. Non-Compliance with Treasury Circular on Guidelines on Transition from Cash to Accrual Accounting

The National Treasury Circular No.03/2025 required all the accounting officers to establish a cash-to-accrual transition committee at entity level. The committee was to oversee and direct transition process over three years. However, review of the Management minutes and enquiry from Management revealed that the State Department does not have cash to accrual transition Committee neither did it have its own transition road map and the project manager as guided the treasury circular.

In the circumstances, the Management was in breach of the Government guidelines,

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

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 matters 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

1. Failure to Comply with the Approved Staff Establishment

Review of Human Resources records revealed that State Department has an approved establishment of four hundred and seventy-nine (479) officers against in-post staffing of three hundred and eighty-seven (387) hence it was understaffed by ninety-two (92) officers or 19%.

In the circumstances, the operations of the State Department may be hindered due to understaffing thus affecting the effectiveness and efficient delivery of service to the public.

2. Non-Compliance with One-Third of Basic Salary Rule

Review of the Integrated Payroll and Personnel Database (IPPD) and Human Resource Information System (HRIS) payroll data for the year under review revealed that nine (9) employees received a net salary of less than one-third (1/3) of their basic salary. This was contrary to Section 19(3) of the Employment Act, 2007 which provides

that all deductions made by an employer from the wages or salaries of his employees at any one time shall not exceed two thirds (2/3) of such wages or salaries.

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

3. Lack of Succession Plan for the Management Staff

The statement of financial performance and Note 9 to the financial statement reflects employee costs of Kshs.532,463,107. Review of the personnel files for the fiduciary management revealed that Heads of following Directorates i.e., Water Infrastructure Management, Sanitation Management, Water Resources and Heads of Accounts have not been filled since the approval of the staff establishment and there was no evidence of a plan to fill the vacant positions.

In the circumstances, the lack of optimal staffing levels may have impacted negatively on the Department's ability to meet its target objectives.

4. Weaknesses in ICT Controls

Review of the IT Internal Control Systems of the entity revealed that the State Department does not have a backup system or a documented data retention strategy in place, exposing it to significant operational and financial risks in the event of a disaster. The ICT team was unable to demonstrate that backups were being performed, verified or successfully completed to an offsite recovery point thus the State Department remains highly vulnerable to the loss of key data and financial records. Further, there was no evidence of ICT-related staff training during the year under review, nor any indication that data protection requirements had been mainstreamed within the period. This gap limits staff capacity to manage ICT risks and raises concerns about compliance with data protection standards.

In addition, the State Department central server room was also found to be in a dilapidated condition. It lacks a proper power backup system to support the LAN and departmental switches, does not have a reliable air conditioning system to regulate room temperatures, and is without humidity detectors essential for environmental control. The fire extinguishers installed in the server room were last serviced on 1 May 2021, casting doubt on their functionality and the State Department preparedness to respond to fire-related incidents.

Also, the State Department does not have a policy governing physical access to IT infrastructure and its surroundings. Furthermore, there are no formal, documented, and tested emergency procedures to guide staff in case of an incident. The absence of such protocols increases the risk of confusion, unsafe responses, and disruption of critical business operations during emergencies.

In the circumstances, the effectiveness of the State Departments IT controls could not be confirmed.

5. Lack of Risk Management Policy

During the financial year under review it was observed that despite the internal audit having a risk assessment matrix that ranks risks and guides their annual internal audit plans, the State Department did not have in place an institutionalized Risk

Management Policy hence no formal approved processes and guidelines on how to mitigate operational, legal and financial risks such as; Identifying business risks relevant to financial reporting objectives, estimating the significance of the risks, assessing the likelihood of their occurrence and deciding about actions to address those risks

In the circumstances, Management may not be in a position to evaluate, rank and prioritize critical risks and channel resources towards mitigating identified risks. Ultimately the utilization of resources and quality of service may be negatively affected

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Ministry'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 Management is aware of the intention to terminate the State Department 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 State Department's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 December, 2025

Appendix 1


No	Financial Year	Audit Issues
1	2020/2021	Pending Bills
2	2020/2021	Unsatisfactory Implementation of Project - Sagana River Restoration Project
3	2020/2021	Delayed Projects Completion - Kanini Irrigation Project Tharaka Nithi
4	2020/2021	Delayed implementation of Maragua bulk water supply and irrigation.
5	2020/2021	Delay in Project Implementation
6	2020/2021	Water Pollution in Athi River
7	2020/2021	Non-Construction of Temporary Site Offices
8	2020/2021	Costly price adjustment on construction of Thwake Multipurpose water development program.
9	2020/2021	Failure to adhere to approved annual work
10	2020/2021	Failure to Drill Community Boreholes at Thwake multi-purpose water development program.
11	2020/2021	Lump Sum Amount in Bill of Quantities for access roads.
12	2020/2021	Lump Sum Amount in Bill of Quantities-Manooni Water project.
13	2020/2021	Unsupported expenditure
14	2020/2021	Failure to close project.
15	2020/2021	Stalled Project- Changamwe Re-pooling Sewer Network
16	2020/2021	Delayed project implementation
17	2020/2021	Project verification
18	2020/2021	Acquisition of assets.
19	2020/2021	Ownership of project vehicles.
20	2020/2021	Expansion of Water Supply Systems in Kericho
21	2020/2021	Irregular contract variation
22	2020/2021	Sustainability of project
23	2020/2021	Contingent liability Sustainability of project
24	2020/2021	Slow implementation of works

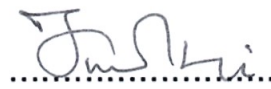
State Department for Water and Sanitation
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5. Statement of Financial Performance for the year ended 30 June 2025

	Notes	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from exchequer	6	18,294,976,821
Transfers from Domestic and Foreign Partners	7	8,046,769,732
Total		26,341,746,553
Revenue from exchange transactions		
Miscellaneous income	8	9,736,050
Total Revenue		26,351,482,603
Expenses		
Employee costs	9	532,463,107
Use of goods and services	10	107,070,708
Transfers to other government entities	11	26,341,925,507
Depreciation and amortization expense	12	10,145,610
Total expenses		26,991,604,932
Surplus/Deficit for the year		(640,122,329)

The Financial Statements set out on pages 1 to 5 were signed by:


.....
Julius Korir, CBS
Principal Secretary



.....
Dr. CPA Jennifer Owino
Head Accounting Unit
ICPAK M/No.13143

14 Statement of Financial Position as at 30 June 2025

	Notes	2024/2025	Opening Statement 1 st July 2025
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	13	301,333,990	260,199,039
Receivables from Non-Exchange Transactions	14	1,779,724	919,512
Total Current Assets		303,113,714	261,118,551
Non-Current Assets			
Property, Plant, and Equipment	19	72,869,773	
Total Non-Current Assets		72,869,773	-
Total Assets (A)		375,983,486	261,118,551
Liabilities			
Current Liabilities			
Trade and Other Payables	15	664,482,642	-
Refundable Deposits	16	280,589,197	258,320,676
Total Current Liabilities		945,071,839	258,320,676
Non-Current Liabilities			
Non-Current Provisions	17	13,930,037	
Total Non-Current Liabilities		13,930,037	-
Total Liabilities (B)		959,001,876	258,320,676
Net Assets (A-B)		(583,018,391)	2,797,875
Represented By:			
Accumulated Surplus		(583,018,391)	2,797,875
Capital Fund			
Net Assets		(583,018,391)	2,797,875

The financial statements set out on pages 1 to 5 were signed by:


.....
Julius Korir, CBS
Principal Secretary


.....
Dr. CPA Jennifer Owino
Head Accounting Unit
ICPAK M/No.13143

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Annual Report and Financial Statements for the year ended June 30, 2025

15 Statement of Changes in Net Assets for the year ended 30 June 2025

	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30th June 2024 (cash basis)	2,797,875	-	-	2,797,875
Adjustments:				-
Assets as per valuation			63,911,683	63,911,683
Non-current provision	(8,445,136)			(8,445,136)
As at July 1, 2024	(5,647,261)		63,911,683	58,264,422
Surplus/Deficit for the period	(640,122,329)	-		(640,122,329)
Returns to exchequer	(1,160,484)			(1,160,484)
Other changes (specify)	-	-	-	-
As at 30th June, 2025	(646,930,074)	-	63,911,683	(583,018,390)

Note:

1. *Non-current Provision refers to Service gratuity due to the contractual staff not yet paid.*

16. Statement of Cash Flows for the year ended 30 June 2025

C		2024/2025
	Notes	Kshs
Cashflows from operating activities		
Receipts		
Transfers from exchequer	6	18,294,976,821
Transfer from Domestic and Foreign partners	7	8,046,769,732
Other income	8	9,736,050
Total receipts		26,351,482,603
Payments		
Employee costs	9A	526,978,206
Use of goods and services	10A	84,436,143
Outstanding imprest issued during the year	14A	860,212
Transfers to other government entities	11A	25,719,181,132
Total payments		26,331,455,691
Net cashflows from/(used in) operating activities	18	20,026,912
Cash flows from investing activities		
Net increase in the retention and deposit		22,268,521
Net cashflows from/(used in) investing activities		22,268,521
Cashflows from financing activities		
Return to exchequer		(1,160,484)
Net cash flows from financing activities		(1,160,484)
Net increase/(decrease)in cash &Cash equivalents		41,134,950
Cash and cash equivalents at the start of the period	13	260,199,039
Cash and cash equivalents at the end of the period	13	301,333,989

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17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

Recurrent and Development Combined

Description	Original budget	Adjustments	Final budget	Actual on a comparable basis	Budget utilization difference	% of utilization
	A	B	C=a+b	D	E=c-d	F=d/c %
RECEIPTS						
Proceeds from Domestic and Foreign Grants	390,000,000	(216,200,000)	173,800,000	208,484,759	(34,684,759)	120%
Exchequer releases	26,786,738,911	(6,551,452,374)	20,235,286,537	18,294,976,821	1,940,309,716	90%
Proceeds from Foreign Borrowings	21,975,000,000	(12,819,600,000)	9,155,400,000	7,838,284,973	1,317,115,027	85%
Other Receipts	3,258,000,000	445,000,000	3,703,000,000	9,736,050	3,693,263,950	0%
Total	52,409,738,911	(19,142,252,374)	33,267,486,537	26,351,482,603	6,916,003,934	80%
PAYMENTS						
Compensation of Employees	530,000,000	5,012,014	535,012,014	526,978,206	8,033,808	98%
Use of goods and Services	97,497,761	(12,128,718)	85,369,043	81,169,201	4,199,842	95%
Transfers to Other Government Units	49,757,785,800	(17,113,621,561)	32,644,164,239	25,719,181,132	6,924,983,107	79%
Acquisition of Assets	2,024,455,350	(2,021,514,109)	2,941,241	3,266,940	(325,699)	111%
Total	52,409,738,911	(19,142,252,374)	33,267,486,537	26,330,595,479	6,936,891,058	79%
Surplus/Deficit				20,887,124	(20,887,124)	

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Budget Notes

The differences between actual and budgeted amounts for significant under/ overutilization is as reconciled below as per IPSAS 24.47B

The difference between the original and final budget, is as a result of reallocations of the Budget downwards by Kshs. 19,142,252,374

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	20,887,124
1	Changes in receivables	(860,211)
2	Return to Exchequer	(1,160,484)
3	Change in deposit	22,268,521
	Opening Cash and Cash Equivalent as per the statement of Cash flows	260,199,039
	Closing Cash and Cash Equivalent as per the statement of Cash flows	301,333,989

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18. Notes to the Financial Statements

1. Establishment

The State Department for Water and Sanitation is established by and derives its authority and accountability from Water Act, 2016, Executive Order. *The State Department for Water and Sanitation* is wholly owned by the Government of Kenya and is domiciled in Kenya. The MDA's principal activity is promoting and supporting integrated water resource management to enhance water availability and accessibility.

2. Statement of Compliance and Basis of Reporting

Statement of compliance

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS). The entity has taken advantage of the transitional provisions under IPSAS 33, and therefore these first year financial statements are transitional financial statements and the following elements of the financial statements have not been recognized fully as the entity has taken advantage of the transition provisions outlined in IPSAS 33 and as guided Treasury Circular No.03/2025 dated 14 April 2025.

1. Assets

- Property, Plant and Equipment (IPSAS 17)
- Investment Property (IPSAS 16)
- Intangible Assets (IPSAS 31)
- Heritage Assets (IPSAS 17)
- Biological Assets (IPSAS 27)
- Certain Financial Instruments (IPSAS 28–30/41)

2. Liabilities

- Employee Benefits (IPSAS 39)
- Provisions, Contingent Liabilities and Contingent Assets (IPSAS 19)
- Service Concession Arrangements (IPSAS 32)
- Certain Financial Instruments liabilities

3. Disclosures

- Segment Reporting (IPSAS 18)
- Related Party Disclosures (IPSAS 20)

- Service Performance Information (RPG 3/IPSAS 39)

The Project will progressively recognize and disclose these elements during the transitional period, and no later than the end of the three (3) year period as required by IPSAS 33.

Steps Taken Towards Full IPSAS Accrual Compliance

The Project has initiated a phased approach towards full compliance with accrual basis IPSAS in line with IPSAS 33 transitional provisions. The key steps undertaken include:

1. Capacity Building

- Training of finance and project staff on accrual accounting principles under IPSAS.
- Seeking technical advice and Engaging of Staff of PSAS Board to guide implementation.

2. Asset and Liability Identification

- Commenced preparation of a comprehensive **Fixed Asset Register** covering property, plant and equipment, and ICT infrastructure.
- Initiated data collection on potential liabilities such as outstanding obligations.

3. Systems and Processes

- Development of standard operating procedures (SOPs) aligned to accrual IPSAS.

4. Progressive Recognition of Elements

- Recognition of receivables, and payables on an accrual basis.
- Gradual preparation to recognize Property, Plant and Equipment (IPSAS 17) and Employee Benefits (IPSAS 39).

5. Disclosure Enhancements

- Introduced improved disclosures in line with IPSAS 24 (Budget vs. Actual) and IPSAS 20 (Related Party Disclosures) where data is available.

6. Governance and Oversight

State Department for Water and Sanitation
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- Establishment of an implementation roadmap, approved by the Project Steering Committee, with clear milestones toward full IPSAS compliance.

These financial statements were authorized for issue by the accounting officer on 26 September 2025

3. Adoption of New and Revised Standards

i) New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There were no new and amended standards issued in the financial year.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an MDA.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the State Department for Water and Sanitation if relevant</i></p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the</p>

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Standard	Effective date and impact
	<p>results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the State Department for Water and Sanitation if relevant</i></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the State Department for Water and Sanitation if relevant</i></p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

State Department for Water and Sanitation
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Standard	Effective date and impact
	<i>State the expected impact of the standard to the State Department for Water and Sanitation if relevant</i>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that a State Department for Water and Sanitation shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the State Department for Water and Sanitation if relevant</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the State Department for Water and Sanitation if relevant</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the State Department for Water and Sanitation if relevant</i></p>

iii) Early adoption of standards

The State Department for Water and Sanitation adopted the **IPSAS 1** that sets out the manner in which general-purpose Financial statements shall be prepared and **IPSAS 33** which grants transitional exemptions to entities adopting accrual basis IPSASs for the first time.

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4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The State Department for Water and Sanitation recognizes revenues from 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 State Department for Water and Sanitation 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 State Department for Water and Sanitation and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development grants are recognized in the statement of financial performance after meeting the revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

ii) Revenue from exchange transactions

Rendering of services

The State Department for Water and Sanitation 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.

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.

Summary of Significant Accounting Policies (Continued)

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2024/2025 was approved by the National Assembly on *July 2024*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the State Department for Water and Sanitation upon receiving the respective approvals in order to conclude the final budget. The MDA'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. 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 cash flows has been presented under section 17 of these financial statements.

c) 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 State Department for Water and Sanitation recognizes such parts as individual assets with specific useful lives and depreciates

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Summary of Significant Accounting Policies (Continued)

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.

d) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the State Department for Water and Sanitation incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the State Department for Water and Sanitation expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

e) Tangible Natural Resources

The State Department for Water and Sanitation recognises a tangible natural resource recognized if, and only if: It is probable that service potential associated with the natural resource will flow to the MDA; the State Department for Water and Sanitation controls the tangible natural resource as a result of past events; and the tangible natural resource can be measured reliably. Where this criterion is not met, the

Summary of Significant Accounting Policies (Continued)

State Department for Water and Sanitation discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. The State Department for Water and Sanitation shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the MDA. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The State Department for Water and Sanitation also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the State Department for Water and Sanitation will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

g) 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

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Summary of Significant Accounting Policies (Continued)

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.

h) Research and development costs

The State Department for Water and Sanitation expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the State Department for Water and Sanitation can demonstrate:

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

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.

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The State Department for Water and Sanitation does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (Amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one State Department for Water and Sanitation and a financial liability or equity instrument of another MDA. At initial recognition, the State Department for Water and Sanitation measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

a) **Financial assets**

Classification of financial assets

The State Department for Water and Sanitation classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the MDA's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless a State Department for Water and Sanitation has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the State Department for Water and Sanitation classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

State Department for Water and Sanitation
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Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the State Department for Water and Sanitation manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The State Department for Water and Sanitation assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The State Department for Water and Sanitation recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 12*.

b) Financial liabilities

Classification

The State Department for Water and Sanitation classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

Notes to the Financial Statements (Continued)

j) 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:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *MDA*.

k) Provisions

Provisions are recognized when the State Department for Water and Sanitation 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 State Department for Water and Sanitation 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.

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Notes to the Financial Statements (Continued)

l) Social Benefits

Social benefits are cash transfers provided to; i) specific individuals and or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The State Department for Water and Sanitation recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the State Department for Water and Sanitation will incur in fulfilling the present obligations represented by the liability.

m) Contingent liabilities

The State Department for Water and Sanitation 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.

n) Contingent assets

The State Department for Water and Sanitation 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 State Department for Water and Sanitation 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.

o) Nature and purpose of reserves

The State Department for Water and Sanitation creates and maintains reserves in terms of specific requirements. State Department for Water and Sanitation to state the reserves maintained and appropriate policies adopted.

p) Changes in accounting policies and estimates

The State Department for Water and Sanitation recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

q) Employee benefits

Retirement benefit plans

The State Department for Water and Sanitation provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which State Department for Water and Sanitation pays fixed contributions into a separate State Department for Water and Sanitation (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.

r) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

s) 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.

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t) Related parties

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

u) Service concession arrangements

The State Department for Water and Sanitation 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 State Department for Water and Sanitation 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 State Department for Water and Sanitation also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

v) 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.

w) Comparative figures

In preparing these financial statements, the State Department for Water and Sanitation has elected to apply paragraph 79 of IPSAS 33, which allows for the election by a State Department for Water and Sanitation to present one statement of financial performance, one statement of cash flow, one statement of net assets

State Department for Water and Sanitation
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and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

x) **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, 2025.

State Department for Water and Sanitation
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the MDA'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:

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 State Department for Water and Sanitation 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 MDA. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the MDA.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40.

Notes to the Financial Statements (Continued)

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

6. Transfers from Exchequer

Nature of transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers Period ended June 2025
	Kshs	Kshs	Kshs
Recurrent	2,932,908,096	-	2,932,908,096
Development	15,362,068,725	-	15,362,068,725
Total	18,294,976,821	-	18,294,976,821

7. Transfers from Domestic and Foreign Partners

Description	2024/2025
	Kshs
Grants in Cash from Bilateral donors	-
Grants in Cash from Multilateral donors	208,484,759
Grants in Kind from Bilateral donors	-
Grants in Kind from Multilateral donors	-
Direct Payments	7,838,284,973
Other Public Donations (Specify)	-
Total	8,046,769,732

8. Other Incomes

Description	2024/2025
	Kshs
Sale of non-market establishment	9,736,050
Total other income	9,736,050

State Department for Water and Sanitation
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Notes to the Financial Statements (Continued)

9. Employee Costs

Description	Period ended 30 th Jun. 2025
	Kshs
Basic salaries of permanent employees	323,205,355
Personal allowances – part of salary	199,711,630
Employer contributions to compulsory national social security schemes	9,546,121
Employee costs	532,463,107

9(A) Adjusted Employee Costs-Performance (Adjustment for cashflow)

Description	Period ended 30 th Jun. 2025
	Kshs
Basic salaries of permanent employees	323,205,355
Personal allowances – part of salary	199,711,630
Employer contributions to compulsory national social security schemes	9,546,121
Adjustments For	
Accruals Expenses	(5,484,901)
Employee costs	526,978,206.

Notes to the Financial Statements (Continued)

10. Use of Goods and Services

Description	Period ended 30th Jun 2025
	Kshs
Utilities, supplies and services	6,927,231
Communication, supplies and services	731,760
Domestic travel and subsistence	13,216,039
Foreign travel and subsistence	244,600
Printing, advertising, and information supplies & services	977,402
Training expenses	1,055,236
Hospitality supplies and services	15,750,939
Specialized materials and services	7,076,723
Office and general supplies and services	2,090,236
Fuel Oil and Lubricants	8,358,663
Other operating expenses	31,202,543
Routine maintenance – vehicles and other transport equipment	13,204,788
Routine maintenance – other assets	2,967,609
Acquisition Consumables	3,266,940
Total	107,070,710

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Notes to the Financial Statements (Continued)

10.(A) Adjustment of Use of Goods and services (Adjustment for cashflow)

Description	Period ended 30th Jun 2025
	Kshs
Utilities, supplies and services	6,927,231
Communication, supplies and services	731,760
Domestic travel and subsistence	13,216,039
Foreign travel and subsistence	244,600
Printing, advertising, and information supplies & services	977,402
Training expenses	1,055,236
Hospitality supplies and services	15,750,939
Specialized materials and services	7,076,723
Office and general supplies and services	2,090,236
Fuel Oil and Lubricants	8,358,663
Other operating expenses	31,202,543
Routine maintenance – vehicles and other transport equipment	13,204,788
Routine maintenance – other assets	2,967,609
Acquisition Consumables	3,266,940
Adjustments For	
Accrued expenses	(22,634,567)
Total	84,436,143

11. Transfers to Other Government Entities

Description	Period ended 30th Jun 2025
	Kshs
Transfers to national govt entities- SAGAs & SC	26,341,925,507
Total	26,341,925,507

11.(A) Transfers to Other Government Entities (Adjustment for cashflow)

Description	Period ended 30th Jun 2025
	Kshs
Transfers to national govt entities- SAGAs & SC	26,341,925,507
Adjustments	
Accrued Expenses	(622,744,375)
Total	25,719,181,132

Notes to the Financial Statements (Continued)

12. Depreciation and Amortization Expense

Description	2024/2025
	kshs
Property, plant and equipment	10,145,610
Intangible assets	-
Investment property carried at cost	
Total	10,145,610

13. Cash and Cash Equivalents

Description	Period ended 30th Jun 2025	Opening statement 1st July 2024
	kshs	kshs
Recurrent Account	1,608,928	729,226
Development Account	1,055,343	431,258
Deposits Account	280,589,197	258,320,676
Others -Projects:		
Horn of Africa	3,952,254	-
Thwake	97,767	
K-WASH	13,610,871	-
Cash on Hand	419,629	71,7879
Total	301,333,990	260,199,039

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Notes to the Financial Statements (Continued)

13 (A) Detailed Analysis of the Cash and Cash Equivalents

		Period ended 30th Jun 2025	Opening statement 1st July 2024
Financial Institution	Account number	Kshs	Kshs
Recurrent Account <i>CBK001</i>	1000456997	1,608,928	729,226
Development Accounts <i>CBK002</i>	1000457007	1,055,343	431,258
Deposits Accounts	1000457015	280,589,197	258,320,676
Horn of Africa-CBK	1000630841	3,952,254	-
Thwake Dam project		97,767	
K-WASH	1334987718	13,610,871	-
Cash on Hand		419,629	717,879
Grand Total		301,333,990	260,199,039

14. Receivables from Non-Exchange Transactions

Description	2024/2025	Opening Statement 1st July 2025
	Kshs	Kshs
Outstanding Government Imprest issued during the year	860,212	
Total Receivables	860,212	
A) Current receivables	860,212	
B) Non-current receivables	919,512	919,512
Total receivables from non- exchange transactions	1,779,724	919,512

14A

Description	2024/2025	Opening Statement 1st July 2025
	Kshs	Kshs
Outstanding Government Imprest issued during the year	860,212	
Total Receivables	860,212	

Notes to the Financial Statements (Continued)

14B Represents advances (imprest) issued during the year but outstanding as at the end of the Financial Year 2024-2025

15. Trade and Other Payables

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Trade payables	664,482,642	-
Total trade and other payables	664,482,642	-

16. Refundable Deposits and Prepayments

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Customer deposits	280,589,197	258,320,676
Prepayments		
Other deposits	-	-
Total deposits	280,589,197	258,320,676

17. Provisions

Description	Gratuity Provision	Total
	Kshs	Kshs
Opening Balance 1 st July	8,445,136	-
Additional provisions	5,484,901	8,445,136
Provision utilised	-	-
Change due to discount and time value for money	-	-
Total provisions year end	13,930,037	8,445,136
17a Current Provisions	5,484,901	-
17b Non-current Provisions	8,445,136	8,445,136
Total	13,930,037	8,445,136

State Department for Water and Sanitation
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Notes to the Financial Statements (Continued)

18. Cash Generated from Operations

	2024/2025
	KShs
Surplus for the year before tax	(640,122,328)
Adjusted for:	
Depreciation	10,145,610
Working capital adjustments	
Increase in payables:	
Pending payables	645,378,942
Provisions	5,484,900
Increase in payments received in advance	(860,212)
Net cash flow from operating activities	20,026,912

NOTE; The kshs. 645,378,942, is the difference between the pending payables of kshs 664,482,642 and the additional assets acquired during the years of 19,103,700 (which does not form part of working capital).

State Department for Water and Sanitation
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19. . Property, Plant and Equipment

<i>Description</i>	<i>Land</i>	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Furniture and fittings</i>	<i>Computers & ICT Equipment</i>	<i>Other Assets (specify)</i>	<i>Capital Work-in progress</i>	<i>Total</i>
Depreciation Rate		2-10%	10-16.67%	2-20%	12.5%	33.3%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	63,911,683	-	-	-	-	63,911,683
Additions	-	-	-	9,252,500	9,851,200	-	-	19,103,700
As At 30th June 2025	-	-	63,911,683	9,252,500	9,851,200	-	-	83,015,383
Depreciation And Impairment								-
Depreciation during the year	-	-	7,988,960	925,250	1,231,400	-	-	10,145,610
Accumulated depreciation	-	-	7,988,960	925,250	1,231,400	-	-	10,145,610
As At 30th June 2025	-	-	55,922,723	8,327,250	8,619,800	-	-	72,869,773

State Department for Water and Sanitation
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20. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *State Department for Water and Sanitation* 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 *MDA*, holding 100% of the *MDA*'s equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *MDA*, both domestic and external.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

21. Events after the Reporting Period

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

22. Ultimate and Holding MDA

The State Department for Water and Sanitation ultimate parent is the Government of Kenya.

23. Currency

The financial statements are presented in Kenya Shillings (Kshs) and is rounded off to the nearest shilling.

State Département for Water and Sanitation
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25. Appendix

Appendix 1: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref No	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1148	<p>Unsupported Exchange Rates The statement of receipts and payments reflects proceeds from foreign borrowings of Kshs.12,832,572,140 and as disclosed in Note 3 to the financial statements. Included in amount of Kshs.8,821,835.70 or EUR 51,364.40 equivalent paid to consultancy services company under Contract no. AWWDA/DSIF/TGWSP/CS/01/2021 on implementation & construction supervision of Thika Githunguri Water & Sanitation project at a rate of EUR/171.75. The payment was processed between 6 March 2024 and 26 June 2024 vide payments</p>	<p>The rate was quoted on the payment voucher as 171.75. please note that the rate used to pay by the national treasury/Donor was as per the prevailing rates. Attached is a schedule from ADB bank supporting the actual rate used.</p>	Not Resolved	30th June 2025

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	<p>voucher no. 05884. Notably, the Euro exchange rates between 6/03/2024 and 26/6/2024 revealed a low of 154.9977 and a high of 156.1078 respectively as per the CBK board rates, thus creating an average of EUR/155.5489 for buyers and sellers. The payment was processed at a rate of EUR/171.75 within the same dates as stated above, which equates to EUR 16.76 way above the market euro exchange rates as at the time of carrying out the transaction. This further confirms that the contractor received Kshs.832,159.78 above the verifiable exchange rates of Euro/155.5489.</p>			
1149	<p>Cash and Cash Equivalent The cash and cash equivalent amount of Kshs.260,199,039 exclude bank balances for Water and Sanitation projects, costal water and climate security climate resilience project, Thwake Multipurpose water development projects and Kenya water security and climate resilience project in the circumstances, the accuracy and completeness of cash and cash equivalent amounting to Kshs.260,199,039 could not be confirmed</p>	<p>The auditor's observation is highly and positively noted. We going to implement the same accordingly in our future reports</p>	Not Resolved	30th June 2025

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1150	<p>Inaccuracies in Third-Party Deposits and Retention Analysis of deposit account bank statement for the year under review showed sampled payments amounting to Kshs.8,935,289 which were paid within the year but which had not been disclosed in the prior year as amounts payable to third parties. Further, the amount is excluded in the paid third-party deposits for the year amounting to Kshs.75,072,086.</p>	<p>The state department would wish to state that we have had several mergers and demergers of state departments with various departments such as Irrigation. In the process some of the funds were being transferred in blocks to the department. We must acknowledge that it has been a bit difficult to analyse the same since we also had mass transfers of the accounts staff defeating institutional memory. We however were able to analyse the same before payment to various contractors/ claimants.</p>	Not Resolved	30th June 2025
1151	<p>Budgetary Control and Performance The statement of comparison of budget and actuals amounts reflects a budgeted final receipt of Kshs.50,369,562,624 and actual receipt on comparable basis of Kshs.37,021,421,993 resulting to underfunding of Kshs. or 26.5%, Similarly, the actual expenditure was Kshs.37,019,251,817 against a budgeted expenditure of Kshs.50,369,562,624 resulting to under absorption</p>	<p>It is true that there was a short fall in the receipts as reflected in the financial statements. This was as a result of having received less exchequers to the tune of Kshs. 9,828,281,250, and uncollected AIA to the tune of Kshs. 3,359,802,098. Consequently, due to insufficient receipts, the department could</p>	Not Resolved	30th June 2025

State Department for Water and Sanitation
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	of Kshs.13,350,310,817 or 26.5%. The under-funding and under-absorption affected the planned activities of the State Department and may have impacted negatively on service delivery to the public	not execute some of the planned activities to the tune of 13 million.		
1152	Long Outstanding Retention and Deposit The statement of financial assets and financial liabilities and note 13 to the financial statements shows an amount of Kshs.258,320,676 relating to third-party deposits and retention as at 30 June 2024. As per the ageing analysis an amount of Kshs.169,850,125 representing 65.8% of the total retention amounts has been outstanding for over two (2) years. There was no explanation provided as to the reason why the amounts are long outstanding	The State Department is in agreement with the fact that some of the amounts are long outstanding. The amounts have not been paid since the claimants have not come to claim so far. In addition, due to merger and demerging of state departments it has been a bit difficult to locate some of the claimants. The State Department is engaging respective agencies with a view of unlocking the same.	Not Resolved	30th June 2025
1153	Unresolved Prior Years Matters In the report of the Auditor-General for the previous years, several audit issues were raised under Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management		Not Resolved	30th June 2025

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	and Governance sections. However, as indicated in the Progress on Follow Up on Prior Year Auditor's Recommendations section of the financial statements, all these issues had not been resolved as at 30 June, 2024. Management has not provided satisfactory reasons for the delay in resolving the prior year audit issues			
1154	Long Outstanding Imprests and Advances The statement of financial assets and financial liabilities reflects imprests and advances balance of Kshs.919,512 as disclosed in Note 12 to the financial statements. However, included in the balance was Kshs.627,700 or 68% which has been outstanding since the year 2022/2023 and no recoveries have been made. This was contrary to Regulations 93(5) and (6) of the Public Finance Management (National Government), Regulations, 2015 which provides that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station. In the circumstances, the Management was in breach of the law.	It is true that the Kshs.1,298,012 outstanding imprest as at the close of financial year Included in this amount Kshs.627,700 which remained un surrendered from the financial year 2022/2023. We wish to state that the outstanding imprests were owed by officers who have since left the state department, we have however traced them to their new stations and written to the respective accounting officer for recovery of the same	Not Resolved	30th June 2025

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1155	<p>Non-Compliance with Law on Gender Balance Review of the payroll and personnel data provided for audit revealed that the State Department has a total of four hundred and nineteen (419) employees out of whom two hundred and eighty-eight (288) or 69% of the total members of staff were male. This was contrary to Section B.22(2) of the Public Service Commission Human Resource Policies of May, 2016 which requires positions in the establishment not to be filled by more than two-thirds of either gender. In the circumstances, Management was in breach of the human resources policies.</p>	<p>The State Department has not complied with the two thirds (2/3) law on Gender Balance. Note that the State Department is composed of staff whose schemes of service are administered by other Departments. Also, the State Department declares vacant positions to the Commission for recruitment We shall communicate to the relevant authorities on this concern</p>	Not Resolved	30th June 2025
1156	<p>Unauthorized Reallocations on Grants and Transfers to Other Government Units The statement of receipts and payments reflects grants and transfers to other government unit amount of Kshs.36,369,594,956 as disclosed in Note 8 to the financial statements. Included in this amount are various expense items totalling Kshs.1,310,816,389 which were irregularly charged/paid from this vote and were not budgeted for under grants and transfers</p>	<p>It is true that the funds were spent under capital grants instead of acquisition of assets. This expenditure relates to headquarters projects being implemented by the state department across the counties. The state department is implementing key projects across the country whereby the budget is domiciled at the headquarters. To seamlessly</p>	Not Resolved	30th June 2025

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	<p>to other government unit vote. Further, no authority from the Accounting Officer on the reallocation of funds and reasons for misclassification of the expenditure was provided. This was contrary to Regulation 99(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which provides that as a general rule, the classification of financial transactions in national government entity's accounts shall be based on the standard chart of accounts approved by The National Treasury and the approved estimates of expenditure shall form the basis of the accounts for the financial year. In the circumstances, Management was in breach of the law</p>	<p>facilitate the implementing of these projects the state department has to disburse funds to the projects. All projects at the headquarters including cross county bulk water (head 1109115800), National water harvesting and ground water exploration, water for schools (head1109115500) Transboundary projects (1109115700,1109115900,1109116900), Water and Sanitation Development Project (WSDP-1109112700), Thwake Multipurpose Water Development Programme Phase 1 BETA (head 1109115200) and others are being implemented in this manner</p>		
1157	<p>Delayed Completion of Boreholes Projects The statement of receipts and payments reflects grants and transfers to other government unit amount of Kshs.36,369,594,956 as disclosed in Note 8 to the financial statements which includes Kshs.49,703,413</p>			

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	for drilling of boreholes. The following anomalies were noted: -			
	i. Included in the amount is Kshs.5,000,000 for drilling, equipping and civil works for Kipchobet Primary School borehole at a contract sum of Kshs.10,120,000 contracted on 16 May 2023 for six (6) months with expected completion in November, 2023. Physical inspection in November, 2024, revealed that the works were not complete and were way behind schedule. The contract agreement had expired and there was no addendum to bind the two parties to project completion.	There has been delay in the release of the exchequer and hence delayed payment that would have enabled the contractor to progress well; however, this contractor has instructions to renew performance Guarantee as evidenced by the copies of requests to the contractor to do so. Similarly, instructions have also been issued to the contractor to renew extension of time without cost to enable them complete the project.	Not Resolved	
	ii. The State Department contracted a local contractor for drilling, equipping and civil works in Olokyin borehole at a contract sum of Kshs.9,920,000 on 16 May, 2023 for six (6) months with expected completion in November, 2023. However, physical inspection in November, 2024 revealed that the contractor was not on site. The contract agreement had expired and there was no addendum to bind the	There has been delay in the release of the exchequer and hence delayed payment that would have enabled the contractor to progress well; however, this contractor has instructions to renew performance Guarantee as evidenced by the copies of requests to the contractor to do so. Similarly, instructions have also	Not Resolved	30th June 2025

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	two parties to project completion and contract had not been renewed.	been issued to the contractor to renew extension of time without cost to enable them complete the project		
	iii. The State Department entered into a contract on 16 May, 2023 for drilling, equipping and civil works for borehole in Sasumua Primary at a contract sum of Kshs.10,119,356. The contract period was expected to be six (6) months with an expected completion date on 15 November, 2023. As at 30 June, 2024, Kshs.5,000,000 had been paid to the contractor whereas physical inspection in November 2024 revealed that the works were not complete and were way behind schedule. The contract agreement had expired and there was no addendum to bind the two parties to project completion and the contract had not been renewed.	There has been delay in the release of the exchequer and hence delayed payment that would have enabled the contractor to progress well; however, this contractor has instructions to renew performance Guarantee as evidenced by the copies of requests to the contractor to do so. Similarly, instructions have also been issued to the contractor to renew extension of time without cost to enable them complete the project.	Not Resolved	30th June 2025
	iv. The State Department entered into a contract on 16 May, 2023 for drilling, equipping and civil works for borehole in Kwirindochei Primary at a contract sum of Kshs.9,980,000. The contract period was expected to be six (6) months with an expected completion date in	There has been delay in the release of the exchequer and hence delayed payment that would have enabled the contractor to progress well; however, this contractor has instructions to renew	Not Resolved	30th June 2025

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	<p>November,2023. As at 30 June, 2024, the contractor had been paid an amount of Kshs.5,000,000 whereas physical inspection in November, 2024 revealed that the works were not complete and were way behind schedule. The contract agreement had expired and there was no addendum to bind the two parties to project completion and the contract had not been renewed.</p>	<p>performance Guarantee as evidenced by the copies of requests to the contractor to do so. Similarly, instructions have also been issued to the contractor to renew extension of time without cost to enable them complete the project.</p>		
	<p>v. The State Department entered into a contract on 16 May, 2023 for drilling, equipping and civil works for borehole in Kapsigot Primary at a contract sum of Kshs.10,020,370. The construction period was six (6) months with an expected completion date in November 2023. As at 30 June, 2024, the contractor had been paid an amount of Kshs.5,000,000 whereas physical inspection in November, 2024 revealed that the works were not complete and were way behind schedule. The contract agreement had expired and there was no addendum to bind the two parties to project completion and the contract had not been renewed.</p>	<p>There has been delay in the release of the exchequer and hence delayed payment that would have enabled the contractor to progress well; however, this contractor has instructions to renew performance Guarantee as evidenced by the copies of requests to the contractor to do so. Similarly, instructions have also been issued to the contractor to renew extension of time without cost to enable them complete the project.</p>	<p>Not Resolved</p>	<p>30th June 2025</p>

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1158	<p>Completed Boreholes with Low or No Productivity</p> <p>The State Department of Water and Sanitation entered into three (3) contracts for drilling, equipping and civil works for boreholes on 16 May, 2023. The following anomalies were noted:</p>			
	<p>i. The contract for drilling, equipping and civil works for a borehole in Limanet Primary in Narok North Constituency was awarded to a contractor at a contract sum of Kshs.9,881,276. As at 30 June, 2024, the contractor had been fully paid, completion and defects liability certificates all issued. However, as at the time of physical verification in November, 2024, the borehole had no water and it was reported that it only produced water for a short while after completion.</p>	<p>This site was well done with adequate water as seen from borehole completion report (BCR)(copy forwarded) to supply Limanet primary school and the communities surrounding the schools. Water consumed is evidenced from the readings from the installed Master Meter: however, latest reports show that there has been breakdown in the installed submersible pump. The ministry is in liason with the respective Water Service Provider (WSP) in the County of Narok to reinstate the pump and bring the pump back to operation.</p>	Not Resolved	30th June 2025
	<p>ii. The contract for drilling, equipping and civil works for a borehole in Masindoni Secondary School in</p>	<p>This site was well done with adequate water as seen from borehole completion</p>	Not Resolved	30th June 2025

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	<p>Chepalungu Constituency was awarded to a contractor at a contract sum of Kshs.10,637,882. As at 30 June, 2024, the contractor had been fully paid and completion and defects liability certificates all issued. However, as at the time of physical verification in November, 2024, the borehole had no water and it was reported that it only produces a small quantity of water during morning hours.</p>	<p>report (BCR) (copy forwarded) to supply Limanet primary school and the communities surrounding the schools. Water consumed is evidenced from the readings from the installed Master Meter: however, latest reports show that there has been breakdown in the installed submersible pump. The ministry is in liason with the respective Water Service Provider (WSP) in the County of Bomet to reinstate the pump and bring the pump back to operation.</p>		
	<p>iii. The contract for drilling, equipping and civil works for a borehole in Chebastuiye</p>			
	<p>Secondary School in Chepalungu Constituency was awarded at a contract sum of Kshs.11,728,934. As at 30 June, 2024, the contractor had been fully paid and completion and defects liability certificates all issued. However, as at the time of physical verification in November, 2024, the borehole had no water and it was reported that that it only generated water for two</p>	<p>This site was well done with adequate water as seen from borehole completion report (BCR) (copy forwarded) to supply Chepbwastuiyet schools and the communities surrounding the schools. Water consumed is evidenced from the readings from the installed Master Meter:</p>	<p>Not Resolved</p>	<p>30th June 2025</p>

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	months after completion. In the circumstances, the intended purpose and value for money on the expenditure of Kshs.32,248,092 on drilling of boreholes could not be confirmed.	however, latest reports show that there has been breakdown in the installed submersible pump. The ministry is in liason with the respective Water Service Provider (WSP) in the County of Bomet to reinstate the pump and bring the pump back to operation.		
1159	Non-Productive Boreholes. The State Department of Water and Sanitation entered into contracts on 16 May, 2023 for drilling, equipping and civil works for boreholes in KMTC Trans-mara in Emurua Bikirr Constituency, Emurua Dikirr Secondary School and Kiptagei Primary School in Chapalungu Consistency at contract sums of Kshs.9,880,000; Kshs.9,880,000 and Kshs.12,753,913, respectively for the contracts period of six (6) months. As at 30 June, 2024, the contractor for each borehole had been paid an amount of Kshs.5,000,000 totalling Kshs.15,000,000. However, as at the time of physical audit verification in November, 2024, the three (3) boreholes had not yielded any water and an alternate site were being	A new potential site for hydro-geophysical survey has been identified, resurveyed and has greater chances of higher yields at over 2000litres per hour which once drilled will serve the same institution as had been planned. The Contractor has been instructed to renew performance Guarantee and extension of time without cost to enable completion of the project. Moreover; The ministry has once again planned in the financial year FY24/25 to ensure successful finalization of this project.	Not Resolved	30th June 2025

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	sought for drilling. It could not be ascertained whether hydrogeological surveys had been done and what measures Management was putting in place to ensure the same does not occur. Further, the three (3) projects duration had lapsed and no contracts extension has been granted. In addition, the performance bonds had expired and had not been renewed.			
1160	<p>Lack of a Ministerial Performance Management Committee The State Department of Water and Sanitation did not have a Ministerial Performance Management Committee during the year under review. This was contrary to Public Service Commission Human Resource Policies of May, 2016 Section A.13 (1) which provides that each Ministry/State Department shall constitute a Ministerial Human Resource Management Advisory Committee and a Ministerial Performance Management Committee to ensure effective human resource management. In the circumstances, Management was in breach of the law</p>	The Ministerial Performance Management Committee is yet to be appointed in this Ministry. This State Department has a Performance Contracting Committee (PCC) that was appointed vide letter Ref; MWSI/WTR/ADM/30/VOLiv dated 24th July, 2024. Assessment of the employee performance is handled by the Employee Performance Management Committee (EPMC). The committee was appointed however the Committee has been facing several challenges due to difficulties in	Not Resolved	30th June 2025

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		deployment and mapping of staff as a result of the Administrative Structure.		
1161	<p>Lack of Stakeholders Communication Policy Review of records revealed that the State Department did not have a Stakeholders Communication Policy in place during the year under review. This was contrary to Regulation 19 (1)(e) of the Public Finance Management (National Government) Regulation, 2015 which requires establishing and implementing of system that provides necessary information to the stakeholders including stakeholder communication policy for the entity in line with Article 35 of the Constitution. In the circumstances, it could not be confirmed if there was effective communication with stakeholders.</p>	The principal secretary appointed a departmental committee to develop a communication policy for the State Department. The committee is expected to draft a policy by March 2025. The same shall be validated by 30th June 2025	Not Resolved	30th June 2025
1162	<p>Lack of Risk Management Policy The State Department had not developed a Risk Management Policy or documented strategies for identifying risks that may have potential effects on the operations of the State Department. Thus, the State Department may have challenges in identifying and mitigating</p>	The state department through the internal audit unit has done the risk assessment and possible risks have been identified. Development of a draft of the risk management policy is on course which	Not Resolved	30th June 2025

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	instances of fraud and lapses in internal processes during operations. In the circumstances, Management was not in a position to identify individual risks, the likelihood of identified risks, and the appropriate controls	will be followed by its validation on June 2025		
1163	Lack of Approved Strategic Plan The State Department did not have an approved Strategic Plan. It was not clear the basis on which the budget was prepared. Planning for the operations of the State Department and implementation of programmes may have been affected while preparation of budget estimates may not have been in line with the Departmental priorities. In the circumstances, the effectiveness of budgeting process and budget implementation could not be confirmed.	It is true that the State Department does not have an approved Strategic Plan at the moment. Finalization of the plan is at advanced stage awaiting stakeholder comments /inputs and approval.	Not Resolved	30th June 2025



Accounting Officer

Date

Appendix II: Projects implemented by (The MDA)

Project title	Project Number	Donor	Period/duration	Donor commitments	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

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Appendix III: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost b/f (Kshs) Current Year
Land					
Buildings and structures					
Transport equipment					
Office equipment, furniture and fittings					
ICT Equipment					
Machinery and Equipment					
Infrastructure Assets- Roads, Rails					
Intangible assets					
Work in Progress					
Total					

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Appendix IV: Transfers from Other Government Entities

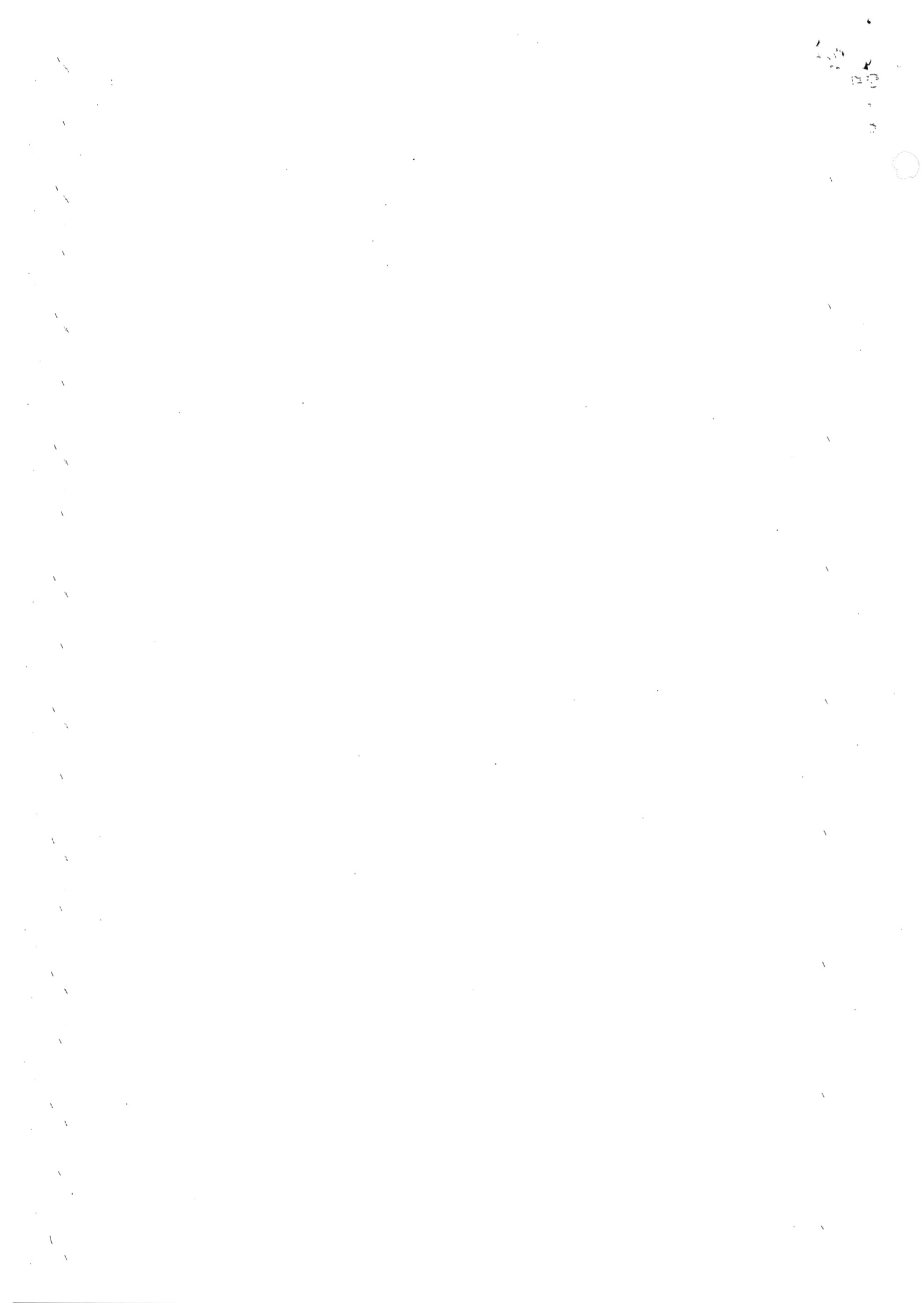
Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Deferre d Income	Receivables	Others must be specific		

Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Period				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Appendix VII: Disaster Expenditure Reporting Template

Column II	Column III	Column IV	Column V	Column VI	Column VII
Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation)	Expenditure item	Amount (Kshs.)	Comments



Detailed Schedule of Pending Bills

Bills Verified and Payable						
S/N	Supplier / Contractor	Invoice No.	Nature of Goods/Services	Amount (Kshs)	Amount Paid	Outstanding Amt (Kshs)
1	M/S UNIVERSITY OF NAIROBI ENTERPRISES AND SERVICES LIMITED	PCIN85476	10% -CONSULTANCY SERVICES FOR REVIEW AND FINALIZATION OF THE 2023-2027 STRATEGIC PLAN			
2	M/S UNIVERSITY OF NAIROBI ENTERPRISES AND SERVICES LIMITED	PCIN89967	10% PROVISION OF CONSULTANCY SERVICES FOR PREPARATION OF WATER SECTOR CLIMATE FINANCIAL PLAN 2023-2027	1,000,000.00	0.00	1,000,000.00
3	M/S UNIVERSITY OF NAIROBI ENTERPRISES AND SERVICES LIMITED	PCIN89965	20% PROVISION OF CONSULTANCY SERVICES FOR PREPARATION OF THE WATER SECTOR CLIMATE FINANCING PLAN 2023-3027	1,780,076.00	0.00	1,780,076.00
4	M/S UNIVERSITY OF NAIROBI ENTERPRISES AND SERVICES LIMITED	PCIN89943	20% PROVISION OF CONSULTANCY SERVICES FOR PREPARATION OF WATER SECTOR CLIMATE FINANCIAL PLAN 2023-2027 (PMO)	3,560,152.00	0.00	3,560,152.00
5	M/S UNIVERSITY OF NAIROBI ENTERPRISES AND SERVICES LIMITED	PCIN85477	20%-CONSULTANCY SERVICES FOR REVIEW AND FINALIZATION OF THE 2023-2027 STRATEGIC PLAN	3,560,152.00	0.00	3,560,152.00
6	M/S UNIVERSITY OF NAIROBI ENTERPRISES AND SERVICES LIMITED	PCIN85478	30%-CONSULTANCY SERVICES FOR REVIEW AND FINALIZATION OF THE 2023-2027 STRATEGIC PLAN	2,000,000.00	0.00	2,000,000.00
7	M/S UNIVERSITY OF NAIROBI ENTERPRISES AND SERVICES LIMITED	PCIN89901	40% PROVISION OF CONSULTANCY SERVICES FOR PREPARATION OF WATER SECTOR FIN PLAN 2023-2027(PMO)	3,000,000.00	0.00	3,000,000.00
8	M/S UNIVERSITY OF NAIROBI ENTERPRISES AND SERVICES LIMITED	PCIN85481	40%-CONSULTANCY SERVICES FOR REVIEW AND FINALIZATION OF THE 2023-2027 STRATEGIC PLAN	7,120,304.00	0.00	7,120,304.00
9	M/S NDIRANCH GROUP LIMITED	NDRG/MOWSI/2/2024		4,000,000.00	0.00	4,000,000.00
10	M/S UNIVERSITY OF NAIROBI ENTERPRISES AND SERVICES LIMITED		CONSTRUCTION OF NGOSWANI WATER PAN-NAROK SOUTH CONSULTANCY SERVICES FOR REVIEW AND FINALIZATION OF THE THE 2023-2027 STRATEGIC PLAN FOR THE MINISTRY OF WATER SANITATION AND IRRIGATION TENDER NO. SDWS/RFP/001/2024-2025	3,644,082.00	0.00	3,644,082.00
11	M/S ROTALINK ENGINEERING COMPANY LIMITED	6263	DRILLING, EQUIPPING AND LAST MILE CONNECTIVITY OF SICHEI PRIMARY SCHOOL BOREHOLE	10,000,000.00	0.00	10,000,000.00
12	M/S UPRIGHT COMPANY LIMITED	52	DRILLING, EQUIPPING AND LAST MILE CONNECTIVITY OF BOREHOLES IN CHEBOYO SECONDARY SCHOOL	4,406,150.00	0.00	4,406,150.00
13	M/S SPIRIT MVS PROPRIETARY LIMITED	INV 014	DRILLING, EQUIPPING AND LAST MILE CONNECTIVITY OF KIMAWIT PRIMARY SCHOOL BOREHOLE	2,899,162.50	0.00	2,899,162.50
15	M/S INTECH CONSTRUCTION COMPANY LIMITED	120624001		5,000,000.00	0.00	5,000,000.00
16	M/S RHINO TECHNICAL WORKS LIMITED	344	DRILLING, EQUIPPING AND LAST MILE CONNECTIVITY OF OLOKYIN BOREHOLE	5,000,000.00	0.00	5,000,000.00
17	M/S WINDEX WORKS COMPANY LIMITED	17	DRILLING, SOLARIZATION AND LAST MILE CONNECTIVITY OF BOREHOLE AT NYANGINJA PRIMARY SCHOOL			
18	M/S MACHINE CENTRE LIMITED		REPAIR WORKS TO THE PARKING AREA AT MAJI HOUSE	4,919,113.00	0.00	4,919,113.00
19	M/S ESCARGOT LIMITED	INV0000054	IPC 4 SAGANA RIVER RESTORATION PROJECT	1,828,800.00	0.00	1,828,800.00
20	M/S SINOHYDRO CORPORATION LIMITED		LAYOUT, DESIGN, PRINTING OF ANNUAL STATUS REPORT BOOKS	114,278,916.24	0.00	114,278,916.24
21	M/S SINOHYDRO CORPORATION LIMITED		MARAGUA BULK WATER SUPPLY AND IRRIGATION PROJECT-IPC No. 10	2,977,500.00	0.00	2,977,500.00
22	M/S NICHE ENVIROMENT CONSULTANTS LIMITED	#04	MARAGUA BULK WATER SUPPLY AND IRRIGATION PROJECT-IPC No. 11	53,280,576.00	0.00	53,280,576.00
24	M/S NICHE ENVIROMENT CONSULTANTS LIMITED	#03	PAYMENT 4 -30% PAYMENT FOR CONTRACT MWSI/SDWS/RFP/008/2022-2023	29,819,324.77	0.00	29,819,324.77
25	M/S TRANSCEND MEDIA GROUP LIMITED	5188	PAYMENT 3-30% PAYMENT FOR CONTRACT MWSI/SDWS/RFP/008/2022-2023	11,112,000.00	0.00	11,112,000.00
			PUBLIC RELATIONS & MEDIA OUTREACH CONSULTANCY SERVICES	14,690,488.95	0.00	14,690,488.95
26	M/S BATIMENT ENGINEERING	BEA-2402, BEA-2405, BEA-E-2408, BEA-E-2409, BEA-D-2402				
27	M/S NATION MEDIA GROUP PLC	1000015913	TECHNICAL ADVISORY SERVICES, PREPARATION AND PPP VIABILITY ASSMENT	219,621,267.67	0.00	219,621,267.67
28	M/S NATION MEDIA GROUP PLC	112576	ADVERTISEMENT DATED 2ND JANUARY,2018	196,070.00	0.00	196,070.00
			ADVERTISEMENT DATED JAN 12TH,2024	196,070.00	0.00	196,070.00

29	M/S NATION MEDIA GROUP PLC	104541	ADVERTISEMENT DATED OCTOBER 9TH, 2023	420,734.00	0.00	420,734.00
30	M/S GREENGRAPH INVESTMENTS	5035	PRINTING OF ANNUAL STATUS REPORT FOR 2024	2,873,900.00	0.00	2,873,900.00
31	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24060060	AIR TICKETS FROM NAIROBI TO AMSTERDAM	2,771,300.00	0.00	2,771,300.00
32	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24050149	AIR TICKETS TO BALI INDONESIA	4,746,960.00	0.00	4,746,960.00
33	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24020065	AIR TICKETS SERVICES TO BUJUBURA ,BURUNDI	990,970.00	0.00	990,970.00
34	M/S SILVER AFRICA TOURS & AFRICA TOURS AND SAFARIS	16639	FLIGHT TICKETS NAI-AMSTERDAM-NAI	430,750.00	0.00	430,750.00
36	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN23120086	PROVISION OF AIR TICKET FROM NAIROBI TO DUBAI	695,900.00	0.00	695,900.00
37	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24050019	PROVISION OF AIR TICKET TO UGANDA	179,470.00	0.00	179,470.00
38	M/S TRAWELL COMPANY LIMITED	1045	RETURN AIR TICKETS TO ADDIS ABABA-ETHIOPIA	2,191,685.00	0.00	2,191,685.00
39	M/S VERCELLI TOURS AND TOURS	VT/032/24	RETURN AIR TICKET TO DENMARK	834,150.00	0.00	834,150.00
40	M/S TRAWELL COMPANY LIMITED	1132	RETURN AIR TICKETS TO ADDIS ABABA	385,265.00	0.00	385,265.00
41	M/S VERCELLI TOURS AND TOURS	VT/033/25	RETURN AIR TICKETS TO DAKAR, SENEGAL	1,449,310.00	0.00	1,449,310.00
42	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24050018	RETURN AIR TICKETS TO JOHANNESBURG	2,891,265.00	0.00	2,891,265.00
43	M/S TRAWELL COMPANY LIMITED	1071	RETURN AIR TICKETS TO SEOUL	587,775.00	0.00	587,775.00
44	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24050147	RETURN AIR TICKETS TO SEOUL, KOREA	395,790.00	0.00	395,790.00
45	M/S SILVER AFRICA TOURS & AFRICA TOURS AND SAFARIS	16922	AIR TICKET NBO-KIS-NBO	208,890.00	0.00	208,890.00
46	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24050148	AIR TICKETS TO KISUMU	38,200.00	0.00	38,200.00
47	M/S SILVER AFRICA TOURS & AFRICA TOURS AND SAFARIS	16740	AIR TICKET NBO-EDL-NBO	346,860.00	0.00	346,860.00
48	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24050006	AIR TICKET TO KISUMU	44,950.00	0.00	44,950.00
49	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24040118	AIR TICKET TO KISUMU	40,400.00	0.00	40,400.00
50	M/S SILVER AFRICA TOURS & AFRICA TOURS AND SAFARIS	16568	AIR TICKETS NBO-KIS-NBO	154,810.00	0.00	154,810.00
51	M/S NGURUMAH TOURS TRAVEL	5746	AIR TICKETS TO KISUMU	296,770.00	0.00	296,770.00
52	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24040117	AIR TICKETS TO MOMBASA	155,680.00	0.00	155,680.00
53	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24030125	AIR TICKETS TO ELDORET	134,850.00	0.00	134,850.00
54	M/S SILVER AFRICA TOURS & AFRICA TOURS AND SAFARIS	16641	FLIGHT TICKETS KISUMU-NAI /ELDORET-NAI	61,000.00	0.00	61,000.00
55	M/S SILVER AFRICA TOURS & AFRICA TOURS AND SAFARIS	16555	FLIGHT TICKETS NAI-ELD-NAI	368,760.00	0.00	368,760.00
56	M/S SILVER AFRICA TOURS & AFRICA TOURS AND SAFARIS	16562	FLIGHT TICKETS NAI-MOMBASA-NAI	224,710.00	0.00	224,710.00
57	M/S SILVER AFRICA TOURS & AFRICA TOURS AND SAFARIS	16564	FLIGHT TICKETS NAI-MOMBASA-NAI	272,600.00	0.00	272,600.00
58	M/S SILVER AFRICA TOURS & AFRICA TOURS AND SAFARIS	16574	FLIGHT TICKETS NAI-MOMBASA-NAI	32,550.00	0.00	32,550.00
59	M/S PRO FLIGHT LTD	MOW0010823	HELICOPTER HIRE SERVICES	1,501,214.00	0.00	1,501,214.00
60	M/S PRO FLIGHT LTD	MOW010723	HELICOPTER HIRE SERVICES	982,996.00	0.00	982,996.00
61	M/S PRO FLIGHT LTD	MOW0020823	HELICOPTER HIRE SERVICES	1,059,973.00	0.00	1,059,973.00
62	M/S PRO FLIGHT LTD	MOW0021023	HIRE OF HELICOPTER	2,661,040.00	0.00	2,661,040.00
63	M/S PRO FLIGHT LTD	MOW020723	HIRE OF HELICOPTER SERVICES	1,138,378.00	0.00	1,138,378.00
64	M/S KEYSA TOURS & TRAVEL	#010/25	PROVISION OF AIRTICKETS	699,400.00	0.00	699,400.00
65	M/S NDASH ENTERPRISES LTD AKA A & L HOTEL	5151	PROVISION OF CONFERENCE FACILITY IN MACHAKOS	1,575,000.00	0.00	1,575,000.00
66	M/S PRO FLIGHT LTD	MOW030723	PROVISION OF HELICOPTER HIRE SERVICES	1,076,225.00	0.00	1,076,225.00
67	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24040121	PROVISION OF RETURN AIR TICKETS TO KISUMU	56,310.00	0.00	56,310.00
68	M/S CASOLODGE TRAVEL AND SAFARIS	CTS/015/23	PROVISION OF RETURN TICKET AIR TICKETS TO NEW YORK FOR FIVE OFFICERS	2,900,110.00	0.00	2,900,110.00
69	M/S ATTIC TOURS AND TRAVEL	88977	RETURN AIR TICKET TO KISUMU	107,500.00	0.00	107,500.00
72	M/S NGURUMAH TOURS TRAVEL	6940	RETURN AIR TICKET TO LODWAR	54,300.00	0.00	54,300.00
73	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24040167	RETURN AIR TICKET TO MOMBASA	45,925.00	0.00	45,925.00

74	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24050150	RETURN AIR TICKET TO MOMBASA	38,735.00	0.00	38,735.00
75	M/S TRAWELL COMPANY LIMITED	1134	RETURN AIR TICKET TO MOMBASA	48,975.00	0.00	48,975.00
76	M/S ELORA AGENCY LIMITED	4225	RETURN AIR TICKET TO MOMBASA	38,600.00	0.00	38,600.00
77	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24050001	RETURN AIR TICKETS FOR SA TRAVELLING TO KISUMU	39,750.00	0.00	39,750.00
78	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24050004	RETURN AIR TICKETS TO ELDORET	77,800.00	0.00	77,800.00
79	M/S TRAWELL COMPANY LIMITED	1174	RETURN AIR TICKETS TO ELDORET	237,000.00	0.00	237,000.00
80	M/S TRAWELL COMPANY LIMITED	1094	RETURN AIR TICKETS TO ELDORET	186,460.00	0.00	186,460.00
82	M/S VERCELLI TOURS AND TOURS	VT/029/24	RETURN AIR TICKETS TO ELDORET	136,000.00	0.00	136,000.00
84	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24050151	RETURN AIR TICKETS TO KISUMU	158,845.00	0.00	158,845.00
85	M/S TRAWELL COMPANY LIMITED	1057	RETURN AIR TICKETS TO KISUMU	338,810.00	0.00	338,810.00
88	M/S VERCELLI TOURS AND TOURS	VT/030/24	RETURN AIR TICKETS TO KISUMU	183,400.00	0.00	183,400.00
89	M/S TRAWELL COMPANY LIMITED	1568	RETURN AIR TICKETS TO LAMU	302,400.00	0.00	302,400.00
90	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24030007	RETURN AIR TICKETS TO MOMBASA	166,580.00	0.00	166,580.00
91	M/S PAGO AIRWAYS TRAVEL SERVICES LTD	TIN24060054	RETURN AIR TICKETS TO MOMBASA	530,720.00	0.00	530,720.00
92	M/S TRAWELL COMPANY LIMITED	1131	RETURN AIR TICKETS TO MOMBASA	261,850.00	0.00	261,850.00
93	M/S VERCELLI TOURS AND TOURS	VT/026/25	RETURN AIR TICKETS TO MOMBASA	353,950.00	0.00	353,950.00
94	M/S VERCELLI TOUR AND TRAVEL	VT/019/24	RETURN AIR TICKETS TO MOMBASA	573,000.00	0.00	573,000.00
95	M/S TRAWELL COMPANY LIMITED	1136	RETURN OF AIR TICKET TO MOMBASA	97,950.00	0.00	97,950.00
96	M/S TRAWELL COMPANY LIMITED	1112	RETURN OF AIR TICKETS TO KISUMU	169,405.00	0.00	169,405.00
97	M/S RAY SPOT RESTAURANT & BAR	251	ASSORTED TEA&SNACKS AND LUNCH	1,085,760.00	0.00	1,085,760.00
98	M/S MACHAKOS UNIVERSITY	INV4074	CONFERENCE FACILITIES - IN MACHAKOS	155,000.00	0.00	155,000.00
99	M/S ABERDARE COUNTRY CLUB		CONFERENCE FACILITY	712,000.00	0.00	712,000.00
100	M/S GOVERNMENT GUEST HOUSE GARISSA		CONFERENCE FACILITY	200,000.00	0.00	200,000.00
101	M/S KENYA WATER INSTITUTE		CONFERENCE FACILITY	244,850.00	0.00	244,850.00
102	M/S SAFARI PARK HOTEL & CASINO	11543D250723	CONFERENCE FACILITY	197,400.00	0.00	197,400.00
103	M/S SAROVA WOODLAND HOTELS LTD	56026	CONFERENCE FACILITY	1,075,500.00	0.00	1,075,500.00
104	M/S PRIDE INN PARADISE	16227	CONFERENCE FACILITY IN MOMBASA FROM 25/09/2023-26/09/2023	412,800.00	0.00	412,800.00
105	M/S KITUI MWINGI PARKSIDE MOTEL LTD	247407974	CONFERENCE FULL DAY IN KITUI	1,177,400.00	0.00	1,177,400.00
106	M/S GOLF HOTEL LIMITED	21679	CONFERENCE FACILITY	297,000.00	0.00	297,000.00
107	M/S WINDSOR GOLF HOTEL & COUNTY CLUB	242005	CONFERENCE FACILITY	270,000.00	0.00	270,000.00
108	M/S PANAROMA PARK HOTEL LIMITED	7340	CONFERENCE FACILITY FROM 11TH-15TH AUGUST 2023	184,000.00	0.00	184,000.00
109	M/S AVIAN COURT LIMITED	#J3179308F	CONFERENCE FACILITY IN NAIVASHA	560,000.00	0.00	560,000.00
110	M/S RC'S OFFICE STAFF WELFARE (GUEST HOUSE)	702	FULL CONFERENCE PACKAGE	100,000.00	0.00	100,000.00
111	M/S SAWELA LODGES	51265	FULL DAY CONFERENCE FROM 25/03/2024-27/03/2024	517,500.00	0.00	517,500.00
112	M/S CIALA RESORT KISUMU	MWS87740	FULL DAY CONFERENCE IN KISUMU	15,025,500.00	0.00	15,025,500.00
113	M/S BLOOMING SUITES NAIVASHA	451	FULL DAY CONFERENCE IN NAIVASHA	560,000.00	0.00	560,000.00
114	M/S ELMER RESORT & SPA NAIVASHA	3034	FULL DAY CONFERENCE	280,000.00	0.00	280,000.00
115	M/S SAWELA LODGES/NAIVASHA COUNTRY HOTEL	47714	FULL DAY CONFERENCE	603,000.00	0.00	603,000.00
116	M/S KENYA WATER INSTITUTE	KWI2908150	FULL DAY CONFERENCE FACILITY	194,499.98	0.00	194,499.98
117	M/S SUN GLAM HOTEL	10176-1	FULL DAY CONFERENCE IN MACHAKOS	387,600.00	0.00	387,600.00
118	M/S BONTANA HOTEL	1222994	FULL DAY CONFERENCE PACKAGE	380,000.00	0.00	380,000.00
119	M/S HOTEL WATERBUCK LTD	7775	FULL DAY CONFERENCE IN NAKURU	740,000.00	0.00	740,000.00
120	M/S MOMBASA BEACH HOTEL	119347	PROVISION OF A CONFERENCE DAY FACILITIES	671,000.00	0.00	671,000.00
121	M/S MOMBASA BEACH HOTEL	121062	PROVISION OF A CONFERENCE DAY FACILITIES	190,000.00	0.00	190,000.00
122	M/S LAKE NAIVASHA RESORT	8853	PROVISION OF VENUE AND CONFERENCE FACILITY	500,000.00	0.00	500,000.00
123	M/S TILADOME LIMITED	211	SUPPLY AND DELIVERY TREE PLANTING MATERIALS	1,665,500.00	0.00	1,665,500.00
124	M/S VESPUCCI ENTERPRISES	110	SUPPLY AND DELIVERY OF MICROSOFT BWINDOWS OPERATING SYSTEM	1,180,000.00	0.00	1,180,000.00
125	M/S ANOUK ENTERPRISES	86	SUPPLY AND DELIVERY ASSORTED TONERS AND STATIONERIES	1,397,800.00	0.00	1,397,800.00
126	M/S JOYROWL LIMITED	1,52154E+11	SUPPLY AND DELIVERY OF ASSORTED STATIONERY	2,109,650.00	0.00	2,109,650.00

127	M/S TIMO CHEM GENERAL SUPPLIERS	291	SUPPLY AND DELIVERY OF ASSORTED STATIONERY & TONERS	788,000.00	0.00	788,000.00
128	M/S TRIPPLE TWO TECHNOLOGY	125	SUPPLY AND DELIVERY OF ASSORTED TONERS	1,336,500.00	0.00	1,336,500.00
129	M/S ZAGA ZAGA INVESTMENTS LIMITED	151	SUPPLY AND DELIVERY OF ASSORTED TONERS	2,884,200.00	0.00	2,884,200.00
130	M/S PAKASA VENTURES	1	SUPPLY AND DELIVERY OF CORPORATE ANTIVIRUS AND ICT ACCESSORIES	2,609,500.00	0.00	2,609,500.00
131	M/S QARAH CONSULTING GROUP	QCG/21202406	SUPPLY AND DELIVERY OF ICT ACCESSORIES	2,809,000.00	0.00	2,809,000.00
132	M/S EMMAJEX SUPPLIES	0	SUPPLY AND DELIVERY OF OFFICE STATIONERY	2,395,250.00	0.00	2,395,250.00
133	M/S JEPMWER ENTERPRISES		SUPPLY AND DELIVERY OF STATIONERIES	530,305.00	0.00	530,305.00
134	M/S KAYLIMS HOLDINGS LIMITED	INV00123	SUPPLY AND DELIVERY OF STATIONERY	2,415,700.00	0.00	2,415,700.00
135	M/S RAYCED INVESTMENT LIMITED	40	SUPPLY AND DELIVERY OF TONERS AND PAPER PUNCH	1,022,200.00	0.00	1,022,200.00
136	M/S NATCOM ENTERPRISES LIMITED		SUPPLY AND DELIVERY OF TONERS	1,779,000.00	0.00	1,779,000.00
137	M/S SAPATO SUPPLIERS		SUPPLY AND DELIVERY OF TONERS	2,321,900.00	0.00	2,321,900.00
138	M/S TAMYCA ENTERPRISES	101	SUPPLY AND DELIVERY OF TONERS	1,675,500.00	0.00	1,675,500.00
139	M/S MELDAV ENTERPRISES	9	SUPPLY AND DELIVERY OF MICROSOFT OFFICE 2021 PROFESSIONAL	1,410,000.00	0.00	1,410,000.00
140	M/S ZIFRAM SUPPLIES	3	SUPPLY AND DELIVERY OF TONERS	2,666,500.00	0.00	2,666,500.00
SUB-TOTAL				622,744,375.11	0.00	622,744,375.11

Detailed Schedule of Pending Bills

Bills Verified and Payable						
S/N	Supplier / Contractor	Invoice No.	Nature of Goods/Services	Amount (Kshs)	Amount Paid	Outstanding Amt (Kshs)
1	M/S NATIONAL OIL CORPORATION OF KENYA	22403	SUPPLY OF FUEL BY NATIONAL OIL	866,100.00	0.00	866,100.00
2	EAST AFRICAS GENERAL SUPPLIER	1251	FUEL AND LUBRICANTS	866,100.00	0.00	866,100.00
3	M/S EL-ONGE VENTURES	75	GENERAL SERVICING OF PRINTERS	445,000.00	0.00	445,000.00
4	M/S IZEIDI GENERAL SUPPLIERS		SUPPLY AND DELIVERY OF TYRES	1,125,200.00	0.00	1,125,200.00
5	M/S JUKATA INVESTMENTS LIMITED	17	SUPPLY AND DELIVERY OF TYRES	1,962,500.00	0.00	1,962,500.00
6	M/S VISHALI BUSINESS SOLUTIONS LTD	4	SUPPLY AND DELIVERY OF TYRES	1,880,000.00	0.00	1,880,000.00
7	M/S YARETZ ENTERPRISES	29	SUPPLY AND DELIVERY OF TYRES	1,797,000.00	0.00	1,797,000.00
8	M/S FERIGON AUTO GENERAL SUPPLIERS	54	SUPPLY AND DELIVERY OF MOTOR VEHICLE TYRES	2,775,000.00	0.00	2,775,000.00
9	CHAMWA MOTORS LIMITED	1252	REPAIR OF GKB 992S, KCB 832M AND KBQ 229J	730,950.00	0.00	730,950.00
10	Charles Muchira Tamba (Kakamega HCC No. 13 of 2014) AG/WATER/97/2015 dated 13th September, 2014	2014/2015	Court Awards-Legal Expenses	2,422,103.00	0.00	2,422,103.00
11	John Chomba T/A Range Merchants - vs- the Hon. Attorney General [Millman] CMCC 1063 of 2018 (formerly HCC 1323/2001) AG/CAR/MENR/27/01 dated 26th August, 2019	2019/2020	Court Awards-Legal Expenses	3,691,713.80	0.00	3,691,713.80
12	ENGINEERS BOARD OF KENYA (REC)	07395	ANNUAL SUBSCRIPTION FEE	20,000.00	0.00	20,000.00
13	INSTITUTE OF HUMAN RESOURCE MANAGEMENT(REC)	09408	ANNUAL SUBSCRIPTION FEE	56,000.00	0.00	56,000.00
14	M/S CRUZONA INVESTMENT	123-126	SUPPLY AND DELIVERY OF LIBRARY BOOKS	1,410,700.00	0.00	1,410,700.00
15	M/S TENESE ENTERPRISES	112-114	SUPPLY AND DELIVERY OF LIBRARY BOOKS	970,700.00	0.00	970,700.00
16	M/S JENSIN MERCHANTS	0	SUPPLY AND DELIVERY OF OFFICE EQUIPMENT, MACHINERY AND OTHER ACCESSORIES	540,000.00	0.00	540,000.00
17	SAROVA WOODLANDS HOTEL LIMITED (DEV)	09721	CONFERENCE FACILITY	1,075,500.00	0.00	1,075,500.00

SUB-TOTAL

Detailed Schedule of Pending Bills-Furniture and Fittings

22,634,566.80 0.00 22,634,566.80

Bills Verified and Payable						
S/N	Supplier / Contractor	Invoice No.	Nature of Goods/Services	Amount (Kshs)	Amount Paid	Outstanding Amt (Kshs)
1	M/S VTEX ENTERPRISES		11 SUPPLY AND DELIVERY OF OFFICE FURNITURE			
2	M/S JENSIN MERCHANTS		0 SUPPLY AND DELIVERY OF OFFICE EQUIPMENT, MACHINERY AND OTHER ACCESSORIES	1,411,500.00	0.00	1,411,500.00
3	M/S SHEOBA SUPPLIES		1 SUPPLY AND DELIVERY OF OFFICE FURNITURE	2,838,000.00	0.00	2,838,000.00
4	M/S LILFAY ENTERPRISES		42 SUPPLY AND DELIVERY OF OFFICE FURNITURE AND FIXTURES	780,000.00	0.00	780,000.00
5	M/S HASHKEN LIMITED		501 SUPPLY AND DELIVERY OF OFFICE FURNITURE AND SHREDDER	2,173,000.00	0.00	2,173,000.00
SUB-TOTAL				2,050,000.00	0.00	2,050,000.00
				9,252,500.00	0.00	9,252,500.00

Detailed Schedule of Pending Bills-Computer and ICT Equipment

Bills Verified and Payable						
S/N	Supplier / Contractor	Invoice No.	Nature of Goods/Services	Amount (Kshs)	Amount Paid	Outstanding Amt (Kshs)
1	M/S NIMOLINE LIMITED		100 SUPPLY AND DELIVERY OF DESKTOP COMPUTERS AND LAPTOPS			
2	M/S STARKWOOD TECHNOLOGIES CONSULT	STC/8349003	SUPPLY AND DELIVERY OF DESKTOP COMPUTERS AND LAPTOPS	1,419,500.00	0.00	1,419,500.00
4	M/S BARGITTOCH LIMITED		0 SUPPLY AND DELIVERY OF OFFICE EQUIPMENT, MACHINERY AND OTHER ACCESSORIES	1,405,000.00	0.00	1,405,000.00
5	M/S ZALYNE GENERAL MERCHANTS LIMITED		599 SUPPLY AND DELIVERY OF LAPTOP COMPUTERS	2,850,000.00	0.00	2,850,000.00
6	M/S KWAMBERIA LIMITED		SUPPLY AND DELIVERY OF OFFICE EQUIPMENT, MACHINERY AND OTHER ACCESSORIES	1,876,700.00	0.00	1,876,700.00
SUB-TOTAL				2,300,000.00	0.00	2,300,000.00
				9,851,200.00	0.00	9,851,200.00
GRAND TOTAL				664,482,641.91	0.00	664,482,641.91



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