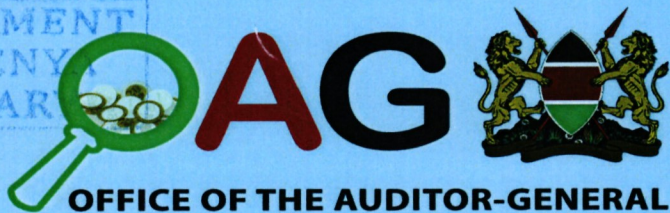


REPUBLIC OF KENYA

PARLIAMENT
OF KENYA
LIBRARY



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS T A D	
DATE: 15 FEB 2023	REPORT
TABLED BY: LOM	
CLERK-AT THE-TABLE: M. Mado	OF

THE AUDITOR-GENERAL

ON

**HYDROLOGISTS REGISTRATION
BOARD**

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



HYDROLOGISTS REGISTRATION BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE NINETEEN (19) MONTHS ENDED

30TH JUNE, 2021

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

TABLE OF CONTENTS

TABLE OF CONTENTS	I
1. KEY ENTITY INFORMATION AND MANAGEMENT	II
o BACKGROUND INFORMATION	II
o PRINCIPAL ACTIVITIES	II
o KEY MANAGEMENT	II
o FIDUCIARY MANAGEMENT.....	III
o FIDUCIARY OVERSIGHT ARRANGEMENTS	III
o ENTITY HEADQUARTERS.....	III
o ENTITY CONTACTS.....	III
o ENTITY BANKERS	IV
o INDEPENDENT AUDITORS.....	IV
o PRINCIPAL LEGAL ADVISER	IV
2. THE BOARD OF DIRECTORS.....	V
3. MANAGEMENT TEAM.....	IX
4. CHAIRPERSON’S STATEMENT	XIII
5. REPORT OF THE REGISTRAR/CHIEF EXECUTIVE OFFICER	XIV
6. STATEMENT OF HYDROLOGISTS REGISTRATION BOARD PERFORMANCE AGAINST PRE DETERMIND-OBJECTIVES FOR FY 2020/2021	XVI
7. CORPORATE GOVERNANCE STATEMENT	XVI
8. MANAGEMENT DISCUSSION AND ANALYSIS	XX
9. ENVIRONMENTAL AND CORPORATE SOCIAL SUSTAINABILITY REPORTING	XXI
10. REPORT OF THE DIRECTORS.....	XXIII
11. STATEMENT OF DIRECTORS’ RESPONSIBILITIES.....	XXV
12. REPORT OF THE INDEPENDENT AUDITORS ON THE HYDROLOGISTS REGISTRATION BOARD	XXVI
13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2021	1
14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2021	2
15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE, 2021	3
16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2021	4
17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR 30 JUNE 2021 5	
18. NOTES TO THE FINANCIAL STATEMENTS.....	6
19. APPENDICES	24
APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	24
APPENDIX III: INTER-ENTITY TRANSFERS.....	25

1. KEY ENTITY INFORMATION AND MANAGEMENT

○ Background information

The Hydrologists Registration Board was formed under the Hydrologists Act No 19 of 2017. It was gazetted on 19th July, 2019 and officially launched on 5th of December, 2019. The Board is mandated with the responsibility of registering and regulating all persons and entities practicing in the field of Hydrology and building capacity for individual hydrologists and hydrology consulting firms, as well as regulating their conducts for improved and sustainable performance of the Hydrology profession. At the policy level, the Board is headed by the Chairperson of the Board of Directors who is responsible for policy and strategic direction of the Board. The Registrar/Chief Executive Officer is in charge of running the daily affairs of the Board.

○ Principal activities

The principal activities of the Board are;

- i) To regulate, co-ordinate and oversee practice of hydrology;
- ii) To promote standards of professional competence and practice amongst hydrologists;
- iii) To coordinate research, investigations and surveys in hydrological field;
- iv) To recognize institutions that furnish a sufficient guarantee of academic knowledge of practical experience in hydrology;
- v) To demand and certify hydrological studies and reports necessary for design of hydraulic structures;
- vi) To collaborate with other bodies or organizations in development of programs and facilities for advancement of hydrology and well-being of hydrologists; and
- vii) To perform any other function that is incidental or consequential to its functions under this Act any other written law.

○ Key Management

The Hydrologists Registration Board's day-to-day management is under the following keyorgans:

- i) The Board of Directors.
- ii) Registrar/Chief Executive Officer.
- iii) Temporarily deployed staff from the Ministry of Water, Sanitation and Irrigation.

○ **Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
(i)	Registrar/Chief Executive Officer	Antony Mwenje
(ii)	Deputy Chief State Counsel	Rose A. Nyakwana
(iii)	Internal Audit	James Areba
(iv)	Technical	Georgia Mwendwa
(v)	Human Resource and Administration	Beatrice Ndungi
(vi)	Accounts	Anderson Mwamuye
(vii)	Supply Chain Management	Veronica M. David

○ **Fiduciary Oversight Arrangements**

The Board's oversight responsibility is vested in the;

- i) The Ministry of Water, Sanitation and Irrigation to whom statutory and other periodic reports are submitted for review, and whose Internal Auditor is the secretary to the Audit, Risk and Compliance Committee. The Principal Secretary is also represented on the Board.
- ii) The National Treasury which oversees funding and usage, and statutory reporting.
- iii) Board of Directors which had nine (9) members provides oversight over Board activities.
- iv) Strategy and Technical Committee which had five (5) members.
- v) Finance, Human Resource and Governance Committee which had four (4) members.
- vi) Audit, Risk and Compliance Committee which had five (5) members.

○ **Entity Headquarters**

Hydrologists Registration Board
P. O. Box 51244-00100
Maji House, Ngong Road
Nairobi, KENYA

○ **Entity Contacts**

Tel: 0202716103
Email: info@hydrologistsboard.go.ke
Website: www.hydrologistsboard.go.ke

Hydrologists Registration Board
Annual Reports and Financial Statements
For the Nineteen (19) Months Ended June 30, 2021

- **Entity Bankers**
Kenya Commercial Bank
Capitol Hill Branch
P.O. Box 58233
City Square 00200
NHIF Building, Ngong Road
Nairobi, Kenya.

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

- **Principal Legal Adviser**
The Attorney-General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. THE BOARD OF DIRECTORS


Ref	Directors	Details
1.	 <p>Mr. Julius Mutuaruchiu, HSC Board Chairperson</p>	<p>Mr. Julius Mutuaruchiu holds a BSc. Hons. and MSc. in Engineering Hydrology. His professional career spans 40 years from initial employment as a Hydrologist with the Ministry of Water to working as Managing Director of the Kerio Valley Development Authority. His areas of expertise include Applied Hydrology, Hydraulics, Irrigation and Drainage, Hydrologic Computations, Groundwater Hydrology, Geophysics, Water Resources Planning and Development, and Water Law & Water Policy. He is a Consulting Hydrologist and was previously the Lead Manager for the implementation of the Resettlement Action Planning for the Mwea Irrigation Development Project.</p>
2.	 <p>Mr. Benson Cheboswony Independent Board Member</p>	<p>Mr. Cheboswony holds a BSc. degree in Hydro-meteorology from the University of Nairobi and a Post-graduate diploma in Hydrological Engineering from the IHE-DELFT in the Netherlands.</p> <p>His professional experience began as a Hydrologist in the then Ministry of Water and he has since worked in various districts and counties as a Hydrologist and as District Water Officer. He was previously the County Director for Water, Lands and Environment in Elgeyo Marakwet County. He is a Director of the Iten-Tambach Water and Sewerage Company Ltd. in Elgeyo Marakwet County. He is currently the Chairperson of the Hydrology Registration Board's Audit, Risk and Compliance Committee.</p>
3.	 <p>Mr. Zephania Ouma Representing the Director-General, NEMA.</p>	<p>Mr. Ouma was Biochemistry major at the Jomo Kenyatta University of Agriculture and Technology before pursuing a Master of Philosophy in Environmental Health at Moi University. He also holds post-graduate diplomas in Cleaner Production and in Risk Assessment and Monitoring for Environmental Chemicals from Dresden University of Technology and Kobe University respectively. He is a member of the Environmental Institute of Kenya (EIK) and is a registered Environmental Impact Assessment/Environmental Audit (EIA/EA) lead expert and is also a certified EIA/EA reviewer.</p> <p>He is an environmental practitioner with vast experience as Principal Environmental Research Officer, Environmental Inspector, and Senior EIA Officer for the National Environment Management Authority (NEMA), and as a District Environment Officer in various</p>

Hydrologists Registration Board
Annual Reports and Financial Statements
For the Nineteen (19) Months Ended June 30, 2021

		districts. He is currently the Deputy Director for NEMA's Compliance Section, and represents the Director-General, NEMA on the Board.
4.	 <p>Mr. Mark Ngecho Representing Principal Secretary at the National Treasury.</p>	<p>Mr. Ngecho holds a Bachelor's degree in Business Administration (Accounting Option) from Bugema University, Uganda, and is currently undertaking his professional training in Advanced Accounting/CPA. Prior to joining public service, he was a manager at some of Kenya's leading financial institutions. He has over 10 years' experience in the Public Sector Finance at the National Treasury, and as National Sub-County Accountant in various Counties. He is a skilled public resources manager and currently serves as the Chief Investment Officer at the National Treasury and Planning. He represents the Principal Secretary at the National Treasury on the Board. He is currently the Chairperson of the Board's Finance, Human Resource and Governance Committee.</p>
5.	 <p>Mr. Daniel T. Mogusu Chief Hydrologist</p>	<p>Mr. Mogusu holds a BSc. (Hons) Degree from the University of Nairobi and a Master of Arts in International Conflict Management specializing in Natural Resources-based Conflict Management, Mediation, Negotiation, Water Diplomacy and Peace Building. His professional background spans over 30 years and he has garnered considerable experience as a Hydrologist in various districts. He is a qualified Administrator and was instrumental in the setting up and institutionalization of the Trans-boundary Waters Division at the Ministry of Water, Sanitation and Irrigation (MWSI). He has also worked for several years at the former Transition Authority. He is a Board Member of the Hydrologists Registration Board by virtue of his position as the Chief Hydrologist, MWSI.</p>
6.	 <p>Mr. Eugen M. Mnyamwezi Independent Board Member</p>	<p>Mr. Mnyamwezi is in private practice having retired from Government Service where he worked for over 30 years in various capacities as a Hydrologist. He holds a BSc. degree in Meteorology from the University of Nairobi and a MSc. degree in Engineering Hydrology from the University of Newcastle Upon Tyne in the United Kingdom. He is a Consultant Hydrologist specializing on dam design feasibility studies and reservoir simulation and operations, as well as resource modelling and optimization of multi-purpose dams, simulation and optimization of hydrodynamic systems using Operation</p>

		Research techniques and systems approach. He is the Chairperson of the Board's Strategy and Technical Committee.
7.	 <p>Ms. Nancy Koech Representing Principal Secretary, Ministry of Water, Sanitation and Irrigation</p>	<p>M/s Koech holds a BSc. degree in Water and Environmental Engineering from Egerton University, a MSc. degree in Water Science Engineering with a specialization in Hydrology and Water Resources from the UNESCO-IHE in the Netherlands and is currently pursuing a doctorate in Integrated Water Resources Management.</p> <p>Her professional experience in the water sector spans 12 years. She has undergone training in flood and drought measurement, rainwater harvesting and utilization, drought hazards, vulnerability and risk analysis tools for Africa under Improved drought Early Warning and Forecasting to strengthen preparedness and adaptation to drought in Africa (DEWFORA) as well as for hydrological assessment for catchments. She is currently the acting Deputy Director, Trans-boundary Water Resources Department in the Ministry of Water, Sanitation and Irrigation (MWSI). She represents the Principal Secretary, MWSI on the Hydrologists Registration Board.</p>
	 <p>Eng. Stephen K. Kogi Representing Principal Secretary, State Department for Infrastructure</p>	<p>Eng. Kogi is a Chief Engineer in the Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works. He represents the Principal Secretary, State Department for Infrastructure on the Hydrologists Registration Board.</p>
8.	 <p>Mr. Jeremiah Motari Matunda Representing the Attorney-General</p>	<p>Mr. Matunda is a law professional with over 11 years' experience working in both the public and private sector. He has a Bachelor of Law degree from Shivaji University, India and a Master's of Law in international Law from the University of Nairobi. Additional qualifications include a Bachelor of Social laws from Shivaji University, an Associate Diploma in Insurance from the Insurance Institute in India, a Post-graduate diploma in Corporate Governance from Shivaji University as well as a fellowship diploma in Insurance. He is currently pursuing a doctorate in International</p>




Hydrologists Registration Board
Annual Reports and Financial Statements
For the Nineteen (19) Months Ended June 30, 2021


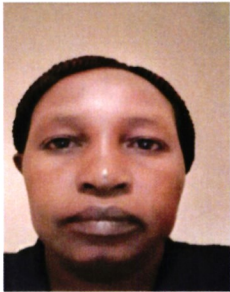
		<p>Law from the University of Nairobi. He is a Senior State Counsel in the office of the Attorney-General, specializing in Environmental, Energy, Natural Resources and Property Law dispute resolution. He is currently a Member of the Hydrologists Registration Board, representing the Attorney-General.</p>
9.	 <p>Mr. Antony Mwenje Registrar/Chief Executive Officer</p>	<p>Mr. Mwenje is a Professional Hydrologist who holds a BSc. degree in Hydrology from the University of Nairobi, a MSc. degree in Integrated Water Management from the University of Queensland in Brisbane, Australia, and a Post-graduate diploma in Applied Hydrology and Information Systems for Water Management jointly from the University of Nairobi and the Institute for Meteorological Training and Research, Nairobi.</p> <p>He began his career with the Ministry of Water and has since worked as a Hydrologist and District Water Officer in various districts, as a Water Conservation Officer and as Water Resources Specialist with the Water Resources Authority and with the ADB-funded Ewaso Ng'iro North Natural Resources Management Project, respectively. He has honed his management and leadership skills by undertaking training in Strategic Leadership Development and Management courses. He is currently the Board Registrar/Chief Executive Officer and is an ex-officio member of the Board</p>

3. MANAGEMENT TEAM


	Management	Details
1.	 <p>Mr. Antony Mwenje</p>	<p>Mr. Mwenje is a Professional Hydrologist who holds a BSc. degree in Hydrology from the University of Nairobi, a MSc. degree in Integrated Water Management from the University of Queensland in Brisbane, Australia, and a Post-graduate diploma in Applied Hydrology and Information Systems for Water Management jointly from the University of Nairobi and the Institute for Meteorological Training and Research, Nairobi.</p> <p>He began his career with the Ministry of Water and has since worked as a Hydrologist and District Water Officer in various districts, as a Water Conservation Officer and as Water Resources Specialist with the Water Resources Authority and with the ADB-funded EwasoNg’iro North Natural Resources Management Project, respectively. He has honed his management and leadership skills by undertaking training in Strategic Leadership Development and Management courses. He is currently the Board Registrar/Chief Executive Officer and is an ex-officio member of the Board</p>
2.	 <p>Ms. Rose Nyakwana</p>	<p>Rose is an advocate of the high court of kenya, a commissioner for oaths, a state counsel for over ten (10) years and has practised for a total of fifteen years (15)</p> <p>education She pursued B.A public administration, panjab university; - llb, benareshinduniversity; -post graduate diploma: kenya school of law; -llm, international trade law and investment, nairobi university;</p> <p>professional training -regional integration course in korea by koica -senior management course at kenya school of government -strategic leadership course at kenyaschoo of government -governance courses at kenya school of governance and kca -international investment law and dispute resolution membership to professional bodies</p>

Hydrologists Registration Board
Annual Reports and Financial Statements
For the Nineteen (19) Months Ended June 30, 2021

		<p>She is a member of the law society of kenya in good standing and a member of federation of women lawyers, kenya</p>
3.	 <p>Mr. James Areba</p>	<p>Mr. James Areba holds a bachelor's degree in Business Administration (Finance Option) from Catholic University of East Africa before pursuing a Master of Business Administration (Finance Option) from University of Nairobi. He also holds a Diploma in Accountancy.</p> <p>CPA Areba is qualified Accountant with vast experience in Internal Audit. He is a certified Fraud Examiner, Member of the institute of internal Auditors and ICPAK.</p> <p>He is current the Assistant Internal Auditor General in the National Treasury. He is the Head Internal Auditor in the Hydrologist Registration Board</p>
4.	 <p>M/s Georgia Mwendwa</p>	<p>Ms. Georgia Musau holds a bachelor's degree of Science in Environmental Science and graduated in the year 2006 from Egerton University.</p> <p>Ms. Georgia is a qualified Hydrologist with vast experience in Environmental science with an experience of 13 years in the Ministry of Water, Sanitation and irrigation.</p> <p>She is current the Senior Superitending Hydrologist and seconded to the Hydrologists Registration Board as the head of Technical.</p>
5.	 <p>Mr. Anderson Mwamuye</p>	<p>Mr. Anderson Mwamuye holds a proficiency course in Accounts (Accounts Option) from Kenya School of Government Nairobi.</p> <p>Mr. Mwamuye is qualified Accountant with vast experience in accounting of over 10 years.</p> <p>He is current the Accountant II in the Ministry of Water, Sanitation and Irrigation. He is the Accountant assigned to Hydrologist Registration Board</p>

<p>6.</p>	 <p>Ms. Catherine Kanai</p>	<p>Catherine Wangaru Kanai currently stationed in the Ministry of Water, Sanitation and Irrigation as a Senior Assistant Office Administrator after being transferred from the Ministry of Health in the November year 2020. She is deployed to work as an Assistant Office Administrator I in the Hydrologists Registration Board in November, 2020 until 14th February, 2022.</p> <p>While working with the Hydrologists Registration Board, organized and scheduled appointments and meetings, answered phone calls, distributed correspondence memos, letters, sent emails, developed and maintained a filing system, maintained contact lists, took dictation and transcribed, provided general support to visitors, acted as a point of contact for internal and external clients.</p> <p>Employed back in 1990 as a Copy Typist in the Ministry of Education, rose to the grade of Shorthand Typist, then rose to the grade of Assistant Office Administrator II and later transferred to Ministry of Health in the year 2008. she rose to the grade of Assistant Office Administrator I, and again rose to a Senior Assistant Officer Administrator in October 2020 to date.</p>
<p>7.</p>	 <p>Ms. Beatrice Ndungi</p>	<p>Beatrice WanjikuNdungi currently stationed in the ministry of water, sanitation and irrigation Human Resource Section as the principal human resource management assistant.</p> <p>She was employed back in 1986 as a clerical officer in the ministry of Education, In November, 2006 did Diploma in Human Resource Management at Institute of Personnel Management and Promoted/ transferred to ministry of Health as a Human resource management Assistant 111. She rose through the rank from November 2013 to JUNE 2019 in the Ministry of Health as a Human Resource Management Assistant 1. She was promoted to Principal Human Resource Management Assistant in the ministry of Water, Sanitation and Irrigation with effect from 30th June 2020 to date.</p> <p>She is assigned additional duties in the Hydrology registration board with effect from October 2020.</p>

Hydrologists Registration Board
Annual Reports and Financial Statements
For the Nineteen (19) Months Ended June 30, 2021

8.	 <p>Ms. Veronica M. David</p>	<p>Ms. Veronica holds a bachelor's degree of Purchasing and Supply chain management from Dedankimathi University in 2017, Diploma in Supplies management from Kenya Institute of Management and a certificate in supervisory management skills from Kenya School of Government (KSG).</p> <p>Ms. Veronica is a qualified Supplies Chain Officer with vast experience in Procurement with an experience of 19 years in the Ministry of Water, Sanitation and irrigation.</p> <p>She is current the Supplies Chain Management officer I in the Ministry of Water, Sanitation and Irrigation and seconded to the Hydrologists Registration Board.</p>
----	---	--

4. CHAIRPERSON'S STATEMENT

It gives me great pleasure to present Board's Annual Report and Financial Statements for the year ending 30th June 2021. The Board recorded commendable good performance for an organization that is still very new. We made a great milestone despite having a limited budget and challenges related to the COVID-19 pandemic.

The Board and its Organs

The Board of Directors was fully constituted with its 3 (three) Board Committees as follows:

1. Strategy and Technical Committee
2. Finance, Human Resource and Governance Committee
3. Audit, Risk and Compliance Committee

Corporate Performance

During the period under review the Board was able to achieve the following.

- a) Categorization as a Regulatory State Corporation in category 6C;
- b) Development of the draft Hydrologists Rules and Regulations;
- c) Development of the draft HRB Strategic Plan 2021-2025;
- d) Development of Human Resource Policy Instruments.

Challenges

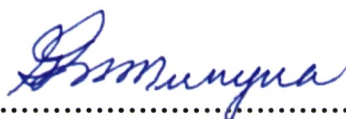
The Board has faced considerable challenges since its inception which include the following:

- i. The Board was gazetted in 19th July, 2019 but was inaugurated only six (6) months later on 5th December, 2021. During this time, no activities were undertaken;
- ii. During FY 2019/2020, the Board had no allocation from the Treasury, thereby critically and adversely affecting its operationalization activities due to lack of funds;
- iii. During FY 2020/2021, the Board was allocated Ksh. 7,000,000. However, only Ksh. 4,333,591 was disbursed to the Board. This considerably slowed down its operationalization activities;
- iv. The Board applied to the State Corporations Advisory Committee (SCAC) for categorization in November, 2019 but only received its category in October, 2020. Therefore, the Board was unable to sign a Performance Contract for FY 2020/21; this adversely affected the Board by slowing down the process of developing and getting the necessary approvals for the Human Resource Policy Instruments.

I however take note a that the Board's allocation for the next financial year is set to increase which will enable us to fast-track operationalization and other activities. I am therefore optimistic that the next financial year will see considerable growth for the Board and full achievement of its mandates.

Acknowledgement

I would like to extend my appreciation to the Cabinet Secretary and Principal Secretary for their guidance and support. I would also want to commend the Ministry of Water, Sanitation and Irrigation for their continued support, and the Board of Directors, Registrar/CEO and the Board's staff for their dedicated service which enabled the Board to operate despite many challenges.



.....
JULIUS G.M. MUTUARUCHIU, HSC
BOARD CHAIRPERSON

DATE:

5. REPORT OF THE REGISTRAR/CHIEF EXECUTIVE OFFICER

I present the Hydrologists Registration Board Report and Financial Statements for the FY 2020/2021. During this period, the Board faired reasonably well as disbursements from the Government was received although not timely and also less than the approved amounts.

Financial Results

The Board during the reporting period experienced several challenges:

- a) Inadequate funding: During the reporting year, the Board received Ksh. 4,333,591 out of the approved budget of Kshs.7, 000,000for Recurrent budget. With this allocation, the Board was unable to complete operationalization activities planned for the financial year.
- b) Irregular allocations: The funds that were allocated to the board were received irregularly, making it difficult to plan ahead for activities.
- c) Inadequate staffing: Currently the Registrar/CEO is the only substantive staff working in the organization; other staff has been deployed from the Parent Ministry to offer additional duties to the Board, over and above their usual duties in their respective Departments. The Board shall plan for recruitment of more staff subject to the availability of the budget to support personnel emoluments. This will enable the Board to become fully operational and minimize some of the shortcomings noted at the management level. Key staffs required are a Finance Officer, Accountant, Economist, Hydrologist and Procurement Officer.
- d) Covid-19: The restrictions placed due to the pandemic slowed down the Board's activities considerably, especially physical stakeholder engagements in different Counties to collect views on the draft Hydrologists Rules and Regulations.

Achievements

Despite these challenges, the Board was able to achieve the following:

- a) Board Committees have been formed and their terms of reference developed; the Committees have been meeting regularly and recommending various policy matters to the full Board;
- b) The State Corporations Advisory Committee (SCAC) has categorized the Board as a State Corporation in category 6C;
- c) The draft Hydrologists Rules and Regulations have been developed and have been subjected to several meetings with stakeholders;
- d) A draft Strategic Plan has been developed;
- e) The Human Resource Policy Instruments have been developed and have been submitted to SCAC for approval

Future Outlook

The Board has been allocated Ksh.15,000,000 for Recurrent budget for FY 2021/2022. This is inadequate to fund all the activities that the board had scheduled and we hope we will receive further support in the course of the financial year. Moving forward, we hope that there will be progressive allocation that will enhance human resources capacity and facilitate the Board's future programs, activities and projects.

During FY 2020/21, the Board expects to achieve the following:

- a) Publish and implement the Hydrologists Rules and Regulations;
- b) Publish and implement the HRB Strategic Plan 2021-2025;
- c) Implement the HRB Human Resource Policy Instruments;
- d) Develop a draft Continuous Professional Development Policy;
- e) Forge partnerships and collaborations with other bodies/institution/organizations for research, competence development and resource mobilization purposes.

Acknowledgement

I thank the Government through the Ministry of Water, Sanitation, and Irrigation for the continued financial, administrative and technical support. I would like to thank also the Board of Directors for their leadership and direction. I appreciate also the contribution and support made by the Board's staff in operationalization activities.

.....
ANTONY MWENJE
REGISTRAR/CHIEF EXECUTIVE OFFICER
DATE: 14/04/2022

6. STATEMENT OF HYDROLOGISTS REGISTRATION BOARD PERFORMANCE AGAINST PRE DETERMINED-OBJECTIVES FOR FY 2020/2021

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

The Hydrologists Registration Board has six strategic pillars and objectives within its Strategic Plan for the FY 2021-2025. These strategic pillars are as follows:

- a) Regulation, coordination and overseeing the practice of hydrology;
- b) Standards of professional competence;
- c) Research in hydrological services;
- d) Certification of hydrological studies for design of hydrological structures;
- e) Partnership and resource mobilization;
- f) Human resource capacity.

The Hydrologists Registration Board develops its annual work plans based on the above six pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis.

7. CORPORATE GOVERNANCE STATEMENT

The Governing Board of the HRB as established through Legal Notice No. 6466 of 19th July, 2019 is made up of the Board Chairperson, two Independent Board members, the Chief Hydrologist in the Ministry of Water, Sanitation and Irrigation, five alternates of the Principal Secretaries for the Ministry of Water, Sanitation and Irrigation, Ministry of the National Treasury and Planning, Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works, the Director-General, National Environmental Management Authority, and the Attorney-General. The Registrar/Chief Executive Officer is an ex officio member of the Board. All the afore-mentioned have been appointed by name.

In considering nominations to the Board, professional qualifications, gender, experience, and diversity is considered. The Board exercises prudent management, leadership, integrity, innovativeness, and judgement in managing the Board.

The Directors are provided with all the available appropriate and timely information that enables them to exercise full and effective control over strategic, financial, operational and compliance issues.

The daily operations of the Board are performed by the Registrar/Chief Executive Officer who is ably supported by a dedicated team of deployed staff from the Ministry. They are responsible for establishing and maintaining internal controls for the realization of the Board's mandate.

Members of the Board were taken through a comprehensive Mwongozo training and induction programme. The Board, the Committees and individual Directors are expected to be evaluated by an independent body against targets agreed to at the beginning of the year.

Board Committees

The Board is assisted in its work by Board Committees attending to specific issues. The Committees report to and are accountable to the Board. The Board Committees main task is to debate, review and recommend matters to the Full Board for further deliberation, review and approval.

The Board has three standing committees which meet at least quarterly under terms of reference set by the Board. The Committees are: -

(i) Finance, Human Resource and Governance Committee

This Committee guides the Management in the preparation of annual budgets, work plans and procurement plans. It reviews the Board's long term financial needs and ensures they are well captured in the various planning cycles for incorporation in future budgets. It also reviews expenditure on behalf of the Board to ensure optimal utilization of funds. It gives guidance on human resource and governance matters.

(ii) Audit, Risk and Compliance Committee

This committee is responsible to the Board for the establishment of internal control and risk management systems. It meets quarterly to review expenditure and to ensure adherence to laid down regulations with regard to the management of public funds. They also audit reports and guide the Management on continual improvement and elimination of qualified audits.

(iii) Strategy and Technical Committee

This committee is responsible to the Board for the development and review of Rules and Regulations, Strategic Plan, and other laws and policies; for reviewing, evaluating and advising on the Board long-term goals and objectives of the Technical Department; regulation and licensing of hydrologists; among others.

Role of the Board of Directors

The role of the Board of Directors, as guided by the State Corporations Act, is to provide overall policy direction and leadership by reviewing the Board's long- and short-term plans and strategizing on how to mobilize resources. It provides effective leadership and control to ensure realization of the Board's mandate and the country's long term development goals. It monitors the Board's plans and strategies. It

ensures prudent management of the Board's resources, reviews the risk management strategies in place while ensuring adherence to laid down government regulations and policies.

The Board also guides the Human Resource Management plans and determines appointment to top level management positions. It also determines remuneration and career progression of staff to ensure uninterrupted operations at the Board.

Every quarter, the Board meets to deliberate on reports from the Committees. The Board has an annual calendar of scheduled meetings which is developed at the beginning of the financial year.

Board Evaluation

It is a statutory requirement to have the Board evaluated. The Board was not evaluated during the review period as it had not been categorized by SCAC. The Board is therefore to be evaluated in the next financial year.

Directors' Remunerations

In accordance with the State Corporations Act and SCAC guidelines, the Directors are paid a taxable sitting allowance for every meeting attended. They are further paid accommodation and mileage allowance or transport costs where applicable. The Chairperson is paid a taxable monthly honorarium as well as airtime/telephone allowance.

Statement of Compliance

The Board of Directors confirms that the Board has throughout the year under review complied with statutory and regulatory requirements and that the Board has been managed in accordance with the principles of corporate governance.

Internal control and risk management

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

Organization structure

The Board Human Resource Policy Instruments were forwarded to the State Corporations Advisory Committee for approval. It has however proposed an Organization Structure which clearly defines lines of authority and responsibility. The professionalism and competence of staff will be maintained through a rigorous program of training and performance appraisal. Training plans will be developed to ensure staff acquire and maintain relevant skills to ensure professional management of the Board.

Strategic Plan

The Board is in the progress of developing a five-year Strategic Plan. The strategic plan will form the basis for the development of annual budgets and work plans while maintaining strategic focus to ensure realization of the Board's long-term goals.

Internal control framework

The Board will continue to review its internal control mechanisms to ensure it maintains a strong and effective internal control environment. Business processes and controls will be reviewed on an ongoing basis. A risk-based Audit Plan which provides assurance over key business processes and operational financial risks facing the Board will be approved by the Audit and Risk Management Committee. Where risks are identified, the Audit Committee will ensure the Management takes appropriate action.

Risk Management

The Board is developing structures to help identify, assess and manage risks. This process was not available during the review period. The Management team will review all the identified risks and update the risk register and ensure that all new and emerging risks are appropriately dealt with.

The Management Team

The management team implements the Board decisions and policies through action plans. The team meets regularly to review these action plans to ensure that they are effectively and efficiently achieved. These action plans are in the form of Annual work plans, budgets, procurement plans and performance contracts.

8. MANAGEMENT DISCUSSION AND ANALYSIS

The Board has relied on grants from the Government to support its activities. The Hydrologists Registration Board's mandate is to spearhead the responsibility of registering and regulating all persons and entities practicing in the field of Hydrology and building capacity for individual hydrologists and hydrology consulting firms, as well as regulating their conduct for improved and sustainable performance of the Hydrology profession. The Board's role is to set policy and offer guidance in carrying out activities and program geared towards implementing the Board's Strategic Plan.

Based on its draft Strategic Plan, the Board identified the following key result areas:

- Regulation, coordination and overseeing the practice of Hydrology through registration, licensing and monitoring of hydrologists;
- Enhancing standards of professional competence by establishing standards and procedures for registration of individuals qualified in hydrological sciences and establishing and maintaining ethical standards and guidelines in the hydrology profession.
- Enhancing research in hydrological services by facilitating resources for coordinating research, investigations and surveys and providing a platform for sharing with other hydrology professionals and with all other stakeholders;
- Certification of hydrological studies for design of hydrological structures;
- Forming partnerships and undertaking resource mobilization to enhance its activities; and
- Building human resource capacity.

Major risks facing the Board

Operational risks:

1. These include lack of key officers such as a Finance Officer, Economist, Accountant which has impeded Board operations, preparation of reports and compliance with statutory timelines;
2. The slow pace of acquiring statutory approvals from other government institutions, such as for Categorization and for the Human Resource Policy Instruments, greatly impeded the Board's activities;
3. Apart from the Registrar, all other staff have been temporarily deployed to the Board to offer support, while still undertaking their normal duties. Therefore, the Board has been unable to achieve the desired level of operational efficiency;
4. The limited office space affects operational efficiency.

Finance risks:

Inadequate funding restricted the Board's activities such as Board and Committee meetings, training and induction, stakeholder workshops, media advertisements, procurement of insurance cover, and purchase of office equipment and stationery, among others;

9. ENVIRONMENTAL AND CORPORATE SOCIAL SUSTAINABILITY REPORTING

The Hydrologists Registration Board exists to ensure a competent hydrology profession thrives, driven by well trained and competent hydrology professionals, able to design and undertake hydrological analysis for development of water infrastructure and programs. This will ensure the existence of sustainable hydrological projects and programs thus improving livelihoods. This is what will guide us to deliver our strategy, putting the customer/citizen first, delivering relevant services, and improving operational excellence. Below is an outline of the Board's policies and activities that promote sustainability.

a) Sustainability strategy and profile

The Board is national in its scope of coverage and has unique functions. The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic factors affecting sustainability priorities, reference to international best practices and key achievements and failure.

b) Employee welfare

The Board did not hire staff during the year under review. However, future recruitment will take account of all relevant laws, regulations and policies guiding the hiring process and will take into account the gender ratio, stakeholder participation, and the applicable review processes. Skills and competence will be improved through continuous training programs; careers, appraisal and reward systems will be implemented. The policy on safety and compliance with Occupational Safety and Health Act of 2007 will be taken into account.

c) Market place practices-

The Board observed the following:

(i) Responsible competition practice.

The Board gave fair chance to all their suppliers regardless of their race, ethnicity or disability. Market surveys were always done before procurement.

(ii) Responsible Supply chain and supplier relations

The Board maintained cordial relationships with its suppliers through fair competition in awarding of contracts as stipulated in Public Procurement and Disposal Acts and other relevant regulations. Prompt payment was made upon invoicing.

(iii) Responsible marketing and advertisement

Through the Boards website and social media pages, relevant information has been disseminated to the public thus creating awareness.

(iv) Product stewardship

Clients' information was ethically and properly kept; Information is only shared to third party upon authorization.

d) Corporate Social Responsibility / Community Engagements

Under the year under review the Board did not participate in CSR activities due to restrictions placed to contain the Covid-19 pandemic.

10. REPORT OF THE DIRECTORS

The Directors submitted their report with the financial statements for the year ended June 30, 2021 which show the state of the Board's affairs.

a) Principal activities

The principal activity is to guide the Board in fulfilling its mandate to regulate, co-ordinate and oversee practice of hydrology among other activities.

b) Results

The results of the Board for the year ended June 30, 2021 are set out on page 1.

c) Directors

The members of the Board Directors who served during the year are shown in the table below.

S/N	Name	Organization	Appointment Date	Designation
1	Julius G.M. Mutuaruchiu, HSC	Independent	5 th December, 2019	Chairperson
2	Benson Cheboswony	Independent	5 th December, 2019	Chairperson, Audit and Compliance Committee
3	Eugen M. Mnyamwezi	Independent	5 th December, 2019	Chairperson, Strategy and Technical Committee
4	Eng. Stephen Kogi	Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works	5 th December, 2019	Alternate Member to PS, Roads
5	Mark Ngecho	National Treasury	5 th December, 2019	Alternate Member to PS, National Treasury
6	Nancy Koech	MWS&I	5 th December, 2019	Alternate Member to PS, MWSI
7	Daniel Mogusu	Chief Hydrologist, MWSI	5 th December, 2019	Member
8	Zephania Ouma	NEMA	5 th December, 2019	Alternate Member to Director-General, NEMA
9	Jeremiah M. Matunda		5 th December, 2019	Alternate Member to Attorney-

Hydrologists Registration Board
Annual Reports and Financial Statements
For the Nineteen (19) Months Ended June 30, 2021

				General,
--	--	--	--	----------

d) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. *The Board did not make any surplus during the year (FY 2019/2020 Ksh Nil) and hence no remittance to the Consolidated Fund.*

e) Auditors

The Auditor General is responsible for the statutory audit of the Hydrological Registration Board in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2021.

By Order of the Board

.....
ROSE A. NYAKWANA
DEPUTY CHIEF STATE COUNSEL
HYDROLOGISTS REGISTRATION BOARD

DATE: *14th April 2022*

11. STATEMENT OF DIRECTORS' RESPONSIBILITIES

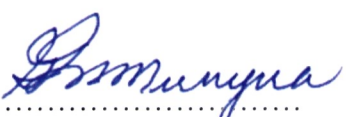
Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act*) require the Board of Management to prepare financial statements in respect of Hydrologists Registration Board, which give a true and fair view of the state of affairs of the Institution at the end of the financial year/period and the operating results of the Board for that year/period. The Board of Management Members are also required to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy the financial position of the Board. The Registrar/Chief Executive Officer is also responsible for safeguarding the assets of the Board.


In this regard HRB Board of Directors caused preparation of these financial statements in conformity with the applicable laws and guidelines. The Board has also ensured that proper records which disclose reasonable accuracy and financial position of the institution have been provided. The Board accepts responsibility of its financial statements and confirm the appropriateness of the accounting policies applied.

Nothing has come to the attention of the Registrar/Chief Executive Officer to indicate that the Board will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Board's financial statements were approved by the Board on 13/04/2022 2021 and signed on its behalf by:


.....
Julius G. M. Mutuaruchiu, HSC
Chairperson, Board of Directors
Date: 14/04/2022


.....
Antony Mwenje
Registrar/CEO
Date: 14/04/2022

has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective manner. KDC005047

Basis for Conclusion

Membership of Board Committees

The Board of Directors, comprised of nine (9) members, and the composition of the Board Committees revealed that the Strategy and Technical Committee and the Audit, Risk and Compliance Committee had five (5) members while the Finance, Human Resource and Quality Control Committee had four (4) members. This was contrary to the provisions of Circular No. QP/CAB/9/1A on the Management of State Corporations which caps the number of members of the Board committees at not more than (20) of the full board.

In addition as reflected in the Budget and actual amounts, remuneration of the Board of Directors was Kshs 4,363,701 against an approved budget of Kshs 1,655,200 resulting to an unauthorized over-expenditure of Kshs 2,708,501.

In the circumstances, the Board was in breach of the law

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

with all the honours, rights and privileges thereunto appertaining, in witness whereof we have affixed our signatures and the Seal of the University. A Congregation held that this University on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management

Management is responsible for the preparation of financial statements in accordance with the Sector Accounting Standards (Academic Affairs)

The Board of Directors is responsible for the fair presentation of the financial statements in accordance with the Sector Accounting Standards (Academic Affairs)

Report of the Auditor-General on Hydrologists on the Board for the year ended 30 June 2022

Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Board's ability 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 Board, 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.

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness

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

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

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

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

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

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



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 July, 2022

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2021

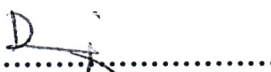
	Note	2020/21	2019/20
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from Ministries, Departments and Agencies	6	4,333,591	-
Total Revenue		4,333,591	-
Expenses			
Use of goods and services	7	1,727,586	-
Remuneration of Directors	8	4,363,701	-
Repairs and maintenance	9	41,950	-
Total Expenditure		6,133,237	-
Other Gains/ (Losses)			
Increase/ (Decrease) in Provision for Audit Fees	12	200,000	
Surplus (Deficit) for the Period		(1,999,646)	-

The notes set out on pages 6 to 28 form an integral part of these Financial Statements


 Board Chairperson


Julius Mutuaruchiu, HSC

Date: 14/04/22


 Registrar/ CEO

Antony Mwenje

Date: 14/04/22


 Head of Accounting Unit

CPA Agnes Waweru

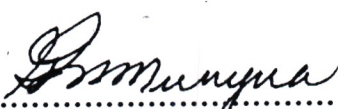
Date: 14/04/22

Hydrologists Registration Board
Annual Reports and Financial Statements
For the Nineteen (19) Months Ended June 30, 2021

14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2021

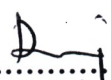
	Note	2020/21 Kshs	2019/20 Kshs
Assets			
Current Assets			
Cash and Cash equivalents	10	300,354	-
Total Current Assets		300,354	-
Total Assets		300,354	-
Liabilities			
Current Liabilities			
Trade and Other Payables	11	2,100,000	-
Provision for Audit Fees	12	200,000	-
Total Current Liabilities		2,300,000	-
Total liabilities		2,300,000	-
Net Assets			-
Revenue reserves	13	(1,999,646)	-
Total Net Assets		(1,999,646)	-
Total Net Assets and Liabilities		300,354	-

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Management by:


.....
Board Chairperson

Julius Mutuaruchiu, HSC

Date... 14/04/22


.....
Registrar/ CEO

Antony Mwenje

Date... 14/04/22


.....
Head of Accounting Unit

Agnes Waweru

Date... 14/04/22


15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE, 2021

	Note	Revenue Reserves	Total
		Kshs	Kshs
At June 30, 2019		-	-
At July 1, 2019		-	-
Surplus/(deficit) for the period		-	-
At June 30, 2020		-	-
Balance as at 1st JULY 2020		-	-
Surplus(deficit) for the period	13	(1,999,646)	(1,999,646)
At June 30, 2021		(1,999,646)	(1,999,646)

Hydrologists Registration Board
Annual Reports and Financial Statements
For the Nineteen (19) Months Ended June 30, 2021

16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2021

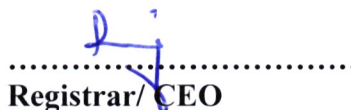
		2020/21	2019/20
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	4,333,591	-
Total Receipts		4,333,591	-
Payments			
Use of goods and services	7	1,727,586	-
Remuneration of directors	14(b)	2,263,701	-
Repairs and maintenance	9	41,950	-
Total Payments		4,033,237	-
Net cash flows from/(used in) operating activities	14(a)	300,354	-
Cash flows from investing activities			
Net cash flows from/(used in) investing activities		-	-
Cash flows from financing activities			
Net cash flows from/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		300,354	-
Cash and cash equivalents at 1 JULY		-	-
Cash and cash equivalents at 30 JUNE		300,354	-



Board Chairperson

Julius Mutuaruchiu, HSC

Date: 14/04/22



Registrar/CEO

Antony Mwenje

Date: 14/04/2022



Head of Accounting Unit

CPA. Agnes Waweru

Date: 14/04/2022

Hydrologists Registration Board
Annual Reports and Financial Statements
For the Nineteen (19) Months Ended June 30, 2021

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR 30 JUNE 2021

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance Difference	Difference in %	Explanation
	Kshs	Kshs	Kshs	Kshs	Kshs		
Revenue							
Government grants and Other Donations	7,000,000	-	7,000,000	4,333,591	2,666,409	61.53%	a)
Total income	7,000,000	-	7,000,000	4,333,591	2,666,409		
Expenses							
Use of goods and services	3,000,000	-	3,000,000	1,727,586	1,272,414	73.65%	b)
Employee cost	2,000,000	-	2,000,000	-	2,000,000	0.00%	
Remuneration of Directors	1,655,200	-	1,655,200	4,363,701	(2,708,501)	-62.07%	c)
Depreciation and Amortization expense	-	-	-	-	-	0%	d)
Repairs and maintenance	-	-	-	41,950	-	0%	e)
Contracted services	344,800	-	344,800	-	344,800	0.00%	f)
Total expenditure	7,000,000	-	7,000,000	6,133,237	866,763	14.13%	
Surplus for the period				1,799,646			

Explanations.

- a) The variance resulted from Budget cuts. Out of the approved budget of Kshs 7,000,000, only Kshs.4,333,591 was received.
- b) The variance resulted from underfunding disbursement for the use of goods and services
- c) The variance resulted from increased Board activities.
- d) The variance resulted from Unbudgeted Depreciation expense
- e) Repairs and maintenance were not budgeted
- f) The variance on contracted services was not funded

18. NOTES TO THE FINANCIAL STATEMENTS

1 General information

The Hydrologists Registration Board is established by and derives its authority and accountability from Hydrologists Act, 2017. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's Principal activity is to regulate and coordinate the discipline and profession of hydrology in Kenya.

2 Statement of compliance and basis of preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Board's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 Adoption of new and revised standards

i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2021*

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> • Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. • IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved. • IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. • IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.*

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

Standard	Effective date and impact:
	(a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> i) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. ii) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. iii) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

iii) Early adoption of standards

The Board did not early-adopt any new or amended standards in year 2020/2021.

4 Summary of significant accounting policies

(a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Budget information

The original budget for FY 2020-2021 was approved by the National Assembly on 9th June, 2020. The Board'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 financial performance has been presented under section 17 of these financial statements.

c) Taxes

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

iv) Property, plant and equipment

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

v) Financial instruments

a) Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity.

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

Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate.

Summary of Significant Accounting Policies (Continued)

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

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

vi) 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:

1. Raw materials: purchase cost using the weighted average cost method.
2. 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 Entity.

vii) Provisions

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

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

viii) Contingent liabilities

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

ix) Contingent assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

x) Changes in accounting policies and estimates

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

xi) Employee benefits

Retirement benefit plans: The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity 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.

xii) 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.

xiii) 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.

xiv) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members

of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

xv) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

xvi) Cash and cash equivalents

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

Bank

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

xvii) Comparative figures

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

xviii) 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, 2021.

5 Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of

NOTES TO THE FINANCIAL STATEMENTS (Continued)

revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made: e.g.

Estimates and assumptions

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

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 Transfers from Ministries, Departments and Agencies (MDAs)

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Prior year 2019/2020	Total transfers 2020/21
			KShs	KShs	KShs
Ministry of Water Sanitation & Irrigation	7,000,000	-	-	-	4,333,591
Total	7,000,000	-	-	-	4,333,591

7 Use of Goods and Services

Description	2020-2021	2019-2020
	KShs	KShs
Advertising	64,800	-
Conferences and delegations	108,000	-
Office consumables	45,775	-
Consumables/Hospitality	156,000	-
Local travel/Subsistence	1,251,108	-
Fuel and oil	54,208	-
IT consumables	18,500	-
Postage	375	-
Printing and stationery	25,150	-
Bank charges	3,670	-
Total	1,727,586	-

8 Board Expenses

Description	2020-2021	2019-2020
	KShs	KShs
Chairman/Directors' Honoraria	1,615,000	-
Sitting allowances	1,988,001	-
Induction and Training	547,400	-
Travel and accommodation	83,000	-
Other Board Allowances	130,300	-
Total	4,363,701	-

Hydrologists Registration Board
Annual Reports and Financial Statements
For the Nineteen (19) Months Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 Repairs and Maintenance

Description	2020-2021	2019-2020
	KShs	KShs
Office Repairs and Maintenance	41,950	-
Total repairs and maintenance	41,950	-

10 Cash and Cash Equivalents

Description	2020-2021	2019-2020
	KShs	KShs
Current account	300,354	-
Total cash and cash equivalents	300,354	-

10(a) Detailed Analysis of the Cash and Cash Equivalents

Financial institution	Account number	2020-2021	2019-2020
		KShs	KShs
i) Current account			
Kenya Commercial bank (Rec)	1280254025	300,354	-
Sub- total		300,354	-
Cash in hand	-	-	-
Sub- total		-	-
Grand total		300,354	-

11 Trade and Other Payables

Description	2020-2021	2019-2020
	KShs	KShs
Accrued Board Expenses	1,740,000	-
Accrued Income Tax Withheld	360,000	-
Total trade and other payables	2,100,000	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 Provisions

Description	Audit Fees	Total
	KShs	KShs
Balance b/d (1.07.2020)	-	-
Additional Provisions	200,000	200,000
Provision utilised	-	-
Change due to discount and time value for money	-	-
Transfers from non -current provisions	-	-
Total provisions as at 30.6.2021	200,000	200,000

13 Revenue reserves

Description	2020-2021	2019-20
	KShs	KShs
Balance b/d	-	-
Surplus/ (Deficit) for the period	(1,999,646)	-
Total	(1,999,646)	-

14 (a) Cash Generated from Operations

Description	2020-2021	2019-2020
	KShs	KShs
Surplus/ (Deficit) for the year before tax	(1,999,646)	-
Adjusted for:		
Contribution to provisions	200,000	-
Working Capital adjustments		
Increase in payables	2,100,000	-
Net cash flow from operating activities	300,354	-

14 (b) Analysis of Remuneration of Directors

Description	2020-2021	2019-2020
	KShs	KShs
Cash paid as Remuneration of Directors	2,263,701	-
Total	2,263,701	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 Financial Risk Management

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

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

i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

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

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2021				
Bank balances	300,354	300,354	-	-
Total	300,354	300,354	-	-
As at 30 June 2020				
Bank balances	-	-	-	-
Total	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The board did not have any active receivables in the year under review.

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

ii) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2021				
Trade payables	85,000	255,000	1,760,000	2,100,000
Provisions	200,000	-	-	200,000
Total	285,000	255,000	1,760,000	2,300,000

Capital Risk Management

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

	2020-2021	2019-2020
	Kshs	Kshs
Retained earnings	(1,999,646)	-
Total funds	(1,999,646)	-
Total borrowings	0	-
Less: cash and bank balances	(300,354)	-
Net debt/(excess cash and cash equivalents)	0	-
Gearing	0%	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

iv) Related Party Disclosures

Nature of related party relationships

Hydrologists Registration Board
Annual Reports and Financial Statements
For the Nineteen (19) Months Ended June 30, 2021

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

Government of Kenya

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

Other related parties include:

- i) The Parent Ministry;
- ii) Other SCs and SAGAs
- iii) Key management;
- iv) Board of directors;

	2020-2021	2019-2020
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Interest and Bank charges	3,670	-
Total	3,670	-
b) Purchases from related parties		
Training and conference fees paid to govt. agencies	547,400	-
Total	547,400	-
c) Grants /Transfers from the Government		
Grants from National Government	4,333,591	-
Total	4,333,591	-
d) Expenses incurred on behalf of related party		
-	-	-
Total		
e) Key management compensation		
Directors' emoluments	2,263,701	-
Total	2,263,701	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29 Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. *The entity did not make any surplus during the year (FY 2020 Nil) and hence no remittance to the Consolidated Fund.*

30 Events after the Reporting Period

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

31 Ultimate And Holding Entity

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

32 Currency

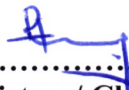
The financial statements are presented in Kenya Shillings (Kshs).


19. APPENDICES

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
n/a	n/a	n/a	n/a	n/a

.....

 Registrar/ Chief Executive Officer
 Antony K. G. Mwenje

Date.....

APPENDIX III: INTER-ENTITY TRANSFERS

HYDROLOGISTS REGISTRATION BOARD				
Break down of Transfers from the State Department of Water, Sanitation and Irrigation				
FY 2020/2021				
a.	Recurrent Grants	Bank Statement Date	<u>Amount (KShs)</u>	The Amounts relate to FY 2020/21
		07/12/2020	583,333	2020/21
		05/02/2021	1,750,258	2020/21
		13/05/2021	2,000,000	2020/21
		Total	4,333,591	
b.	Development Grants	Bank Statement Date	<u>Amount (KShs)</u>	The amounts relate to FY 2020/2021
	N/A	N/A	N/A	N/A

The above amounts have been communicated to and reconciled with the parent Ministry.

.....
 Registrar/ CEO
 Antony K. G. Mwenje

.....
 Head of Accounting Unit
 CPA. Agnes Waweru

Date... 14/04/2022

Date... 14/04/22