

REPUBLIC OF KENYA



*Enhancing Accountability*



REPORT THE NATIONAL ASSEMBLY  
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BY:

Hon. Naomi Wago, MP  
Deputy Whip - Maj. Party

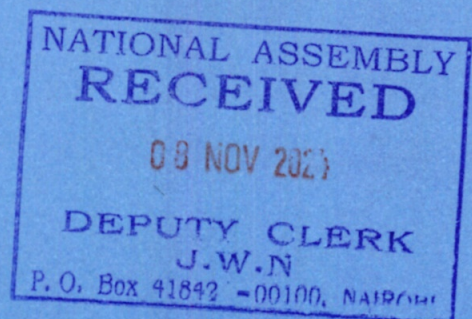
THE AUDITOR-GENERAL

ON

NAIROBI INCLUSIVE SANITATION  
IMPROVEMENT PROJECT GRANT  
NO.5600155005153

FOR THE YEAR ENDED  
30 JUNE, 2024

ATHI WATER WORKS DEVELOPMENT  
AGENCY





PROJECT NAME: NAIROBI INCLUSIVE SANITATION IMPROVEMENT PROJECT

IMPLEMENTING ENTITY: ATHI WATER WORKS DEVELOPMENT AGENCY

PROJECT GRANT/CREDIT NUMBER: P-KE-EBO-013

LOAN NUMBER: 5600155005153

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ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

***Nairobi Inclusive Sanitation Improvement Project***  
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**1. Acronyms and Definition of Terms**

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
CT	County Treasury
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank

Comparative FY Financial year preceding the current financial year.

*(Projects to include all acronyms and Definition of terms used in the annual report and financial statements)*

## 2. Project Information and Overall Performance

### 2.1 Name and registered office

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

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

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

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

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

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**Project information and overall performance (continued)**

**2.2 Project Information**

Project Start Date:	The project start date is 15th February 2021
Project End Date:	The project end date is 31 <sup>st</sup> December 2023
Project Manager:	The project manager is Eng. Bonnie Nyandwaro
Project Sponsor:	The project sponsor is African Development Bank (AfDB)

**2.3 Project Overview**

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Water, Sanitation and Irrigation
Project number	5600155005153
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> <li>(i) Increase access to safe, sustainable, sustainable and inclusive on-site and -off site sanitation</li> <li>(ii) Increase access to efficient and sustainable sewerage and faecal sludge management infrastructure and services</li> </ul> <p>Create opportunities for increased sub sector investments</p>
Summary of Project Strategies for achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> <li>• 102,000 households with access to Sewers;</li> <li>• 45,000 households with access to Ablution Blocks;</li> <li>• 80,000 households with access to On-site</li> </ul>
Other important background information of the project	<p>The project is composed of 2 components:</p> <p><b><u>Component 1: Feasibility Studies and Engineering Design</u></b></p> <p>Phase 1: Preparatory and feasibility studies (socio economic, technical, financial and institutional assessments); identification and selection of options, preliminary engineering designs and costing, site identification and selection, etc.</p> <p>Phase 2: Field investigations, detailed engineering designs and costing, cost benefit analyses, preparation of FMPs, connection strategy.</p> <p>Phase 3: Specifications, tender documentation and manuals.</p>

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	<p><b><u>Component 2: Project Management and Knowledge Management activities</u></b></p> <p>Establishment of Project Management (PIT, PSC); planning and procurement, technical and financial management, including project reporting and liaison with AWF; capacity building; organization of stakeholder validation workshops &amp; Investment Forum.</p>
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<b>ATHI CLUSTER BUDGET PER AGENCY PER FACILITY</b>	
	<b>Budget Amount</b>
GRANT	
Bank Financing	<b>Euros 980,767</b>
GoK Counterpart VAT 16%	<b>Euros 314,800</b>

<p>Areas that the project was formed to intervene</p>	<p>The project was formed to intervene in the following areas:</p> <ul style="list-style-type: none"> <li>i. To increase sanitation from 1,103,370 up to 2,803,211 for the urban dwellers in deprived urban, peri-urban and informal settlements in Nairobi without adequate access to sustainable and inclusive sanitation, including sewage and faecal sludge management infrastructure and services</li> </ul> <p>To create more than 300 new jobs following the implementation of the downstream investment projects. Other indirect beneficiaries are Private Sector Operators, local NGOs and CBOs</p>
<p>Project duration</p>	<p>The project started on 15<sup>th</sup> February 2021 and is expected to run until 31<sup>st</sup> December 2023</p>

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**Project Information and Overall Performance (Continued)**

**2.4 Bankers**

The following are the bankers for the project:

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

**2.5 Independent Auditor**

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

**2.6 Roles and Responsibilities**

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

<b>Names</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>
Eng. Joseph Kamau	Chief Executive Officer	Msc. Environmental Planning and Management, Bsc. Civil Engineering, IEK	Accounting Officer
Eng. Bonnie Nyandwaro	Director, Infrastructure Development	Bsc. Civil Engineering, IEK	Project Manager
Eng. James Muturi	Deputy Director -Sewer & Sanitation Infrastructure Development	Msc. Civil Engineering, Bsc. Civil Engineering	Project Coordinator
Loise Kamau	Manager-Environment and Safeguards	BA Social studies	Project sociologist
CPA, John Njoroge Ndegwa	Assistant Director-Finance and Accounts	MBA, BA, CPA-K	Project accountant
Ann Gacheri	Assistant Director- Supply Chain Management	MBA, BA	Project procurement officer

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**2.7 Funding summary**

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

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Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2024)		Undrawn balance to date	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
(i) Grant	£		£			
ADF	980,767	112,641,090	915,726	105,171,108	65,041	7,469,982
(iii) Counterpart funds						
Government of Kenya	314,800	36,154,780	674,793	77,500,000	-	359,993
Miscellaneous Receipts			32,862	3,774,159	-	32,862
<b>Total</b>	<b>1,295,567</b>	<b>148,795,870</b>	<b>1,623,381</b>	<b>186,445,267</b>	<b>-</b>	<b>327,814</b>

B. Application of Funds

Application of funds	Amount received to date – (30 <sup>th</sup> June 2024)		Cumulative amount paid to date – (30 <sup>th</sup> June 2024)		Unutilized balance to date (30th June 2024)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
ADF	915,726	105,171,108	915,726	105,171,108	-	-
(ii) Counterpart funds						
Government of Kenya	674,793	77,500,000	174,269	20,014,771	500,524	57,485,229
Miscellaneous Receipts	32,862	3,774,159	-	-	32,862	3,774,159
<b>Total</b>	<b>1,623,381</b>	<b>186,445,267</b>	<b>1,089,995</b>	<b>125,185,879</b>	<b>533,386</b>	<b>61,259,388</b>

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**Project information and overall performance (continued)**

**2.8 Summary of Overall Project Performance:**

Project Name	Project Scope	Progress to date	Challenges
Feasibility Studies and Engineering Design	<p>Preparatory and feasibility studies, including socio economic, technical and institutional assessments undertaken</p> <p>Preliminary engineering designs and related financial analyses and ESIA Scoping completed</p> <p>Final engineering designs, tender documentation, ESIA's and plans completed</p> <p>Consolidated Connection Strategy developed</p>	The contract is completed, closed and fully paid for.	None

**Progress for the various components**

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

**2.9 Summary of Project Compliance:**

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

### **3. Statement of Performance against Project's Predetermined Objectives**

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

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

#### **Introduction**

Section 81(2)(f) /Section 164 (2)(f) of the Public Finance Management Act, 2012, requires that the Accounting Officer include a statement of the national/county government entity's performance against predetermined objectives at the end of each financial year.

The key development objectives of the project's agreement/ plan are to:

#### **Progress on the attainment of strategic development objectives**

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified to track progress and performance measurement.

Below, we provide the progress on attaining the stated objectives:

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Consultancy services for feasibility study, detailed design, tender documentation, ESIA & connection strategy	To increase access to sustainable and inclusive sewage and faecal sludge management services and opportunity to improve livelihoods and among the poor in urban, peri-urban and informal settlements in Nairobi County, thereby improving their health and quality of life.	The project expectation is to; 1. Increased access to sustainable and inclusive FS and sewage management services in peri urban and informal settlements  Increased and prioritized investments in FS and sewage management infrastructure and services	The project will contribute towards increased access to sanitation from initial 1,103,370 to 2,803,211 these is more than 100% increment	<i>The project objectives were fully met and the project successfully closed</i>

#### **4. Environmental and Sustainability Reporting**

##### **Introduction**

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

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

As such, Athi Water Works Development Agency (AWWDA) a state corporation with key functions of Planning, development, rehabilitation and expansion of water and sanitation services infrastructure is cognizant of the possible impacts (both positive and negative) resulting from interaction of the organization's activities with both physical and social environment.

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

AWWDA has a structured way of managing the environmental and social aspects associated with its operations through the existing Environmental and Social Safeguards division with a total of 7 permanent staff.

The following elements underpin AWWDA environmental sustainability.

- Pollution prevention and resource efficiency;
- Regulatory compliance;
- Assessment and management of environmental and social risks;
- Community and impacts stakeholder engagement;
- Public consultation and
- Biodiversity conservation and sustainable management of the natural resources.

The objective of the AWWDA's environmental sustainability is therefore to promote sustainable social and economic development within the Agency's area of jurisdiction by ensuring environmental protection, social equity, and economic development. Also, to support the wellbeing of the current and future generations.

##### **Approach**

AWWDA's environmental sustainability is guided by the Environmental Management and Coordination (Amendment) Act of 2015 which is the principal legislation governing the conduct of environmental management in Kenya and the Constitution of Kenya, 2010. Other legislation related to natural resources such as Water Act, forest Act, Land planning Act, National land policy etc. as well as the Occupational Health and Safety Act, 2010 are also used as guidelines.

AWWDA also complies with the other environmental requirements of International Funding Institutions such as World Bank, Africa Development Bank, French Development Bank among others.

The environmental and social safeguards standards generally include considerations for:

- Assessment and Management of Environmental and Social Risks and Impacts

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- Labor and Working Conditions
- Resource Efficiency and Pollution Prevention and Management
- Community Health and Safety
- Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
- Biodiversity Conservation and Sustainable Management of Living Natural Resources
- Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
- Cultural Heritage
- Stakeholder Engagement and Information Disclosure.

**Environmental and Sustainability activities**

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

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

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

Some of the environmental and social impact assessment reports prepared, approved and licensed by NEMA within the financial year include:

- Murang'a Water Supply Project
- Murang'a Sanitation Project
- Kiambu Water and Sanitation Project

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

**Pollution Prevention and Abatement**

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

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

- All sewerage treatment plants are designed to improve quality of final discharge into the receiving surface waters. These facilities are issued with effluent discharge permits based on effluent discharge and control plan.

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- All ongoing construction projects are supervised and monitored to ensure proper implementation of project specific environmental management plans and environmental conservation.
- All motor vehicles are being regularly serviced as per manufacturer's recommendations.
- Compliance to the Occupational, Health and Safety Act, 2007
- Conformance to EMCA (Air quality regulations), 2014
- Compliance to EMCA (Noise and Vibrations pollution control), 2009
- Compliance to the national environmental Action Plan, 2009-2013
- The penal code chapter 63.

**Climate Change Mitigation and adaptation**

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

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

**Promoting Environmental protection and conservation through partnerships with stakeholders**

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

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

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**Table 1: Tree planting exercise FY 2023-2024**

S/NO	PROJECT	NO. OF TREES	AFFORESTATION AREA	STAKEHOLDERS
I.	Karimenu II Dam 7 <sup>th</sup> December, 2023	7,500	Within the project sites. Spoil Area No.04; Administration Block, Camp 04 site, Quarry AB	Forester Nation Gatundu North & South University Students & Alumni (GUSA) Fit Nation RODI KENYA
II.	Kigoro Water Treatment Plant 7 <sup>th</sup> December, 2023	500	Water treatment site	AWWDA, Local community
III.	Lot 1 – Construction Works for Eastern Nairobi Water and Sewer Intensification Project 17 <sup>th</sup> November, 2023	200	Project site	Project teams, local community
IV.	Karimenu II Dam 12 <sup>th</sup> April, 2024	3,500	Spillway sites	TAI SACCO and local community
V.	Kamiti River Riparian Restoration 19 <sup>th</sup> April, 2024	5,000	WRA defined riparian areas	Kamiti Local Water Resource Users Association (WRUA) NCBA Bank, KCB Bank, Muchemi & Co. Advocates, RODI Kenya, and DANCO Capital Ltd
VI.	Kimakia Forest, Murang'a County 3 <sup>rd</sup> May, 2024	10,000	KFS Designated rehabilitation block	Kenya Forestry Services, Gatanga Sub-County, Murang'a County CO-OPERATIVE Bank, NORKEN International, RODI Kenya
VII.	Kinale Forest 17 <sup>th</sup> May, 2024	20,000	KFS Designated rehabilitation block	Kenya Forestry Services, Local community, local primary and secondary schools
VIII.	Kimana Wetlands, Kajiado County 12 <sup>th</sup> June, 2024	2,000	Kimana Girls Secondary School	Kimana Girls Secondary School, Oloitoktok Water Service Provider and local community
<b>TOTAL</b>		<b>48,700</b> (in the period FY 2023/2024)		

**Social economic activities**

**SOCIO-ECONOMIC IMPACT ASSESSMENT**

It is the systematic analysis used during EIA to identify and evaluate the potential socio-economic and cultural impacts of a proposed development on the lives and circumstances of people, their families and their communities. If such

potential impacts are significant and adverse, SEIA can assist the developer, and other parties to the EIA process, find ways to reduce, remove or prevent these impacts from happening. It also contributes to the ongoing management of social issues throughout the whole project development cycle, from conception to post-closure.

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

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

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

Other social sustainability activities include:

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

#### **Environmental monitoring and reporting**

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

#### **EHS committees, inspections and audits**

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

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

#### **Environmental and social sustainability management systems**

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

#### **4.10.1 Environmental and Social Management Plans**

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

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

#### **4.10.2 Health and Safety Management Plans**

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

#### **4.10.3 Grievance redress mechanism**

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

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

#### **4.10.4 Gender Mainstreaming**

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

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

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

#### **4.10.5 Prevention of gender-based violence**

AWWDA is integrating GBV trainings within the work sites to ensure that cases of sexual harassment and sexual exploitation and abuse within the work places are mitigated against. AWWDA has a GBV committee which is championing this together with a number of consultants who undertake sensitization activities. This will ensure that cases of sexual harassment are reported and that women/men will not fear reporting such cases due to fear of victimization.

The following table summarises the climate relevant expenditure FY 2023-2024.

#### **4.10.6 Conclusion**

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

#### **Employee welfare**

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

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

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

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

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

#### **Market place practices-**

##### **Responsible Supply chain and supplier relations-**

The Agency has put in place systems that the project respects the terms and conditions of contract. This brings about good partnership and effective project delivery. Some of the practices within the project that ensure good business practices, responsible treatment of suppliers including honouring of contracts and respect to payment terms include:

- i. **Contract Negotiation/Pre-contract Clarification:** The Agency engages in fair and transparent contract negotiations with its suppliers. Contracts clearly outline the terms and conditions, including the scope of work, pricing, delivery schedules, quality requirements, and any other relevant details.
- ii. **Compliance with the Terms and Conditions of Contract:** Once contracts are entered into, the Agency adheres to the agreed-upon terms. This includes fulfilling its obligations on timely payments by ensuring prompt and

***Nairobi Inclusive Sanitation Improvement Project***  
***Annual Report and Financial Statements for the financial year ended June 30, 2024***

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- timely payment to suppliers, consultants and contactors to maintain a good relationship. Delays in payments can cause financial strain on these service providers, impacting their ability to implement projects efficiently.
- iii. **Clear Payment Policies:** In compliance with the Agency's service charter, there's clear payment policies that specify payment terms, mode, and timelines which are agreed upon during contract negotiations. The Agency has also invested in automated payment systems ERP that streamline the payment process, reducing the chances of errors and delays for projects.
  - iv. Whenever there are delay in payment, an open and transparent communication channel is maintained. If any payment delays are anticipated, the organization informs the suppliers in advance and works together to find a mutually acceptable solution.
  - v. **Early Payment Programs:** The agency offers early advance payments to suppliers who may benefit from faster access to funds upon presentation of an advance payment guarantee.
  - vi. **Supplier Performance Evaluation:** Regularly evaluating supplier performance to ensure that they meet the agreed-upon standards. Feedback on performance helps suppliers improve their processes, ultimately benefiting both parties.
  - vii. **Conflict Resolution Mechanism:** The agency has in place a conflict resolution mechanism to address any disputes or disagreements with suppliers and contractors promptly and fairly.

**Responsible ethical practices**

AWWDA has ensured that responsible competitive practices within the Agency are practised by promoting ethical behaviour, transparency, and compliance with relevant laws and regulations i.e., PPADA ACT 2015 and its Attendant Regulations, donor funded Rules and Procedures governing Procurement of Goods Works and Services, Executive Orders and Circulars issued from time to time by the NT, and Regulator PPRA.

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

**Code of Conduct and Ethics:** The Agency has established a comprehensive code of conduct that clearly outlines the expected behaviour of all staff during implementation of projects. All staff deployed to the projects, contractors engaged by the institution and other stakeholders are required to uphold the highest ethical standards.

**Compliance reporting:** The Agency Prepares statutory compliance reports to the Various Regulatory Bodies on projects i.e., PPRA, NT, and EACC and reports all the awarded contracts through the PPIP Portal (Public Procurement and Information Portal) which is accessible by the public with disclosures of Beneficial Ownership Information for all awarded contracts. Quarterly reports are also submitted to donors who finance projects and for monitoring of compliance with the financing agreement.

Projects teams are expected to comply with the principles guiding public employees and restriction towards involvement in any political activities. However, good working relationship with all stakeholders including political leaders within projects areas is encouraged as part of public participation towards project delivery.

**Internal Controls and Audits:** The Agency implements internal controls and conducts regular project audits, to monitor compliance with policies and identify any potential gaps. Observations and recommendations from these audits are implemented to improve and ensure best practices within the project.

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**Regulatory impact assessment**

Article 10(2) of the CoK, 2010 indicates that public participation is among the national values and principles of national governance. As such, citizens and stakeholder rights need to be upheld in implementation of projects. The Agency endeavors to comply with the requirements of the constitution and all the other laws that safeguard citizen and stakeholder's rights and as part of its commitment to achieve the same, the following is practiced in projects:

The Agency ensures projects are scoped in consultation with the citizens' through public participation and engagement. During contracting, procurement is done through open and competitive process ensuring transparency and once contract is signed a framework of continuous monitoring of projects is established to ensure value for money and that the set objectives of the project are fully met, delivered within the set timelines and the set budgetary allocation.

Incorporating initiatives such as Buy Kenya Build Kenya in its performance targets which go a long way in support of local citizens and brings about sustainability of the local industries and involvement of the local communities and stakeholders in the projects. The AGPO programme promotes and safeguards marginalized groups which includes; Youth, Women and Persons living with disability to be able to participate in projects, this brings about diversity and inclusion of small and minority-owned businesses.

**Community Engagements**

During the 2023/2024FY AWWDA continued to ensure enhanced access to water across our area of jurisdiction.

***Nairobi Inclusive Sanitation Improvement Project  
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**5. Statement of Project Management Responsibilities**

The *Chief Executive Officer* for Athi Water Works Development Agency and the *Project manager* are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for the financial year ended on June 30, 2024.

This responsibility includes (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

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

The *Chief Executive Officer* for Athi Water Works Development Agency and the *Project manager* are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June 30, 2024, and of the Project's financial position as at that date. The *Chief Executive Officer* for Athi Water Works Development Agency and the *Project manager* further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements and the adequacy of the systems of internal financial control.

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

Approval of the Project Financial Statements

The Project financial statements were approved by The *Chief Executive Officer* for Athi Water Works Development Agency and the *Project manager* on 13<sup>th</sup> September, 2024 and signed by:



Chief Executive Officer  
Name: Eng. Joseph Mungai Kamau



Project Manager  
Name: Eng. Bonnie Nyandwaro



Director Finance  
Name: CPA, Michael Kihungi Kimotho  
ICPAK Member Number: 6490

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# REPUBLIC OF KENYA



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

## REPORT OF THE AUDITOR-GENERAL ON NAIROBI INCLUSIVE SANITATION IMPROVEMENT PROJECT – GRANT NO.5600155005153 FOR THE YEAR ENDED 30 JUNE, 2024 - ATHI WATER WORKS DEVELOPMENT AGENCY

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Nairobi Inclusive Sanitation Improvement Project – Grant No.5600155005153 set out on pages 1 to 19, which comprise the statement of financial assets and liabilities as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows and statement of

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*Report of the Auditor-General on Nairobi Inclusive Sanitation Improvement Project – Grant No.5600155005153 for the year ended 30 June, 2024 – Athi Water Works Development Agency*

comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Nairobi Inclusive Sanitation Improvement Project – Grant ADBB 5600155005153 as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the African Water Facility Special Fund Grant Agreement No.5600155005153 dated 30 July, 2020 between the African Development Bank and the Republic of Kenya and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.178,792,870 and Kshs.161,205,921 respectively resulting to a budget under-funding of Kshs.17,586,949 or 10%. Similarly, the Management spent Kshs.99,946,533 against actual receipts of Kshs.161,205,921 resulting to under-utilization of Kshs.61,259,388 or 38% of the actual receipts.

The under-funding and under-utilization of funds affected the planned activities and have impacted negatively on service delivery to the public

My opinion is not modified in respect to this matter.

### **Key Audit Matters**

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

### **Other Information**

#### **Conclusion**

The Management is responsible for the other information set out on page iii to xxi which comprise of Project Information and Overall Performance, Statement of Performance Against Project's Predetermined Objectives, Environmental and Sustainability Reporting

and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

### **Basis for conclusion**

In connection with my audit on the Nairobi Inclusive Sanitation Improvement Project – Grant number 5600155005153 financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Implement Part of the Contract Deliverables**

The statement of receipts and payments and Note 6 to the financial statements reflects payments for purchase of goods and services totalling Kshs.99,946,533. Included in the amount is an expenditure of Kshs.83,413,051 in respect of payments made to third parties for consultancy services. However, review of a consultancy contract for feasibility study, detailed design, tender documentation, ESIA & connections strategy for the Project revealed that the final deliverable on investment forum which had a cost allocation of Kshs.7,303,362.46 (€ 42,294.20) or five (5) percent of the contract sum to be funded by the African Development Bank was not implemented though the project had closed on 31 May, 2024.

In the circumstances, Management was in breach of the Financing Agreement.

#### **2. Idle Funds in the Bank Account**

The statement of financial assets and liabilities and as disclosed in Note 11A reflects cash and cash equivalents balance of Kshs.61,259,388 held in the project account. However, review of the project documents shows that the project closed on 31 May, 2024 yet the bank account is still open and holding unutilized funds contrary to Regulation 83(2)(c) of the Public Finance Management (National Government) Regulations, 2015 which requires Accounting Officers to ensure sound cash management by avoiding accumulation of idle balances.

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

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards require that I comply with ethical requirements, plan, and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### Conclusion

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

### Basis for Conclusion

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

### Responsibilities of Project Management and Those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention 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 Project Management is responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

#### **Auditor-General's Responsibilities for the Audit**

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

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

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

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



**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**22 October, 2024**

7. Statement of Receipts and Payments for the Year Ended 30th June 2024.

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payments controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2023-2024			2022-2023			
<b>Receipts</b>		<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>
Transfer from Government entities	1	-	-	-	27,500,000	-	27,500,000	77,500,000
Proceeds from domestic and foreign grants	2	-	83,413,051	83,413,051	-	-	-	105,171,108
Loan from external development partners	3	-	-	-	-	-	-	-
Miscellaneous receipts	4	3,774,159	-	3,774,159	-	-	-	3,774,159
<b>Total receipts</b>		<b>3,774,159</b>	<b>83,413,051</b>	<b>87,187,210</b>	<b>27,500,000</b>	<b>-</b>	<b>27,500,000</b>	<b>186,445,267</b>
<b>Payments</b>								
Compensation to employees	5	-	-	-	-	-	-	-
Purchase of goods and services	6	16,533,482	83,413,051	99,946,533	3,481,289	-	3,481,289	125,185,879
Social security benefits	7	-	-	-	-	-	-	-
Acquisition of non-financial assets	8	-	-	-	-	-	-	-
Transfers to other government entities	9	-	-	-	-	-	-	-
Other grants and transfers /payments	10	-	-	-	-	-	-	-
<b>Total payments</b>		<b>16,533,482</b>	<b>83,413,051</b>	<b>99,946,533</b>	<b>3,481,289</b>	<b>-</b>	<b>3,481,289</b>	<b>125,185,879</b>
<b>Surplus/ (deficit)</b>		<b>- 12,759,323</b>	<b>-</b>	<b>-12,759,323</b>	<b>24,018,711</b>	<b>-</b>	<b>24,018,711</b>	<b>61,259,388</b>

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



Chief Executive Officer  
Name: Eng. Joseph Mungai Kamau



Project Manager  
Name: Eng. Bonnie Nyandwaro



Director Finance  
Name: CPA, Michael Kihungi Kimotho  
ICPAK Member Number: 6490

***Nairobi Inclusive Sanitation Improvement Project  
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**8. Statement of Financial Assets and Liabilities as at 30<sup>th</sup> June 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and Cash equivalents</b>			
Bank Balances	11.A	61,259,388	74,018,711
Cash Balances	11. B		
Cash equivalents (Short-term deposits)	11.C		
<b>Total Cash and Cash equivalents</b>		<b>61,259,388</b>	<b>74,018,711</b>
Imprests and Advances	12		
<b>Total Financial Assets</b>		<b>61,259,388</b>	<b>74,018,711</b>
<b>Financial Liabilities</b>			
Deposits and Retention monies	13		
<b>Net Assets</b>			
<b>Represented By</b>			
Fund Balance B/fwd.	14	74,018,711	50,000,000
Prior Year adjustments	15		
Surplus/(Deficit) for the Year		-12,759,323	24,018,711
<b>Net Financial Position</b>		<b>61,259,388</b>	<b>74,018,711</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 13<sup>th</sup> September, 2024 and signed by:



Chief Executive Officer  
Name: Eng. Joseph Mungai Kamau



Project Manager  
Name: Eng. Bonnie Nyandwaro



Director Finance  
Name: CPA, Michael Kihungi Kimotho  
ICPAK Member Number: 6490

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9. Statement of Cash flows for the year ended 30<sup>th</sup> June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Cashflow from operating activities</b>			
<b>Receipts</b>			
Transfer from government entities	1		27,500,000
Proceeds from domestic and foreign grants	2	83,413,051	
Miscellaneous receipts	4	3,774,159	
<b>Total receipts</b>		<b>87,187,210</b>	<b>27,500,000</b>
<b>Payments</b>			
Compensation of employees	5		-
Purchase of goods and services	6	99,946,533	3,481,289
Social security benefits	7	-	-
Transfers to other government entities	9	-	-
Other grants and transfers	10	-	-
<b>Total Payments</b>		<b>99,946,533</b>	<b>3,481,289</b>
<b>Adjustments during the year</b>			
Prior year adjustments	15	-	-
Decrease/(increase) in accounts receivable	16	-	-
Increase/(decrease) in accounts payable:	17	-	-
<b>Net cash flow from operating activities</b>		<b>- 12,759,323</b>	<b>24,018,711</b>
<b>Cashflow from investing activities</b>			
Acquisition of non-financial assets	8		
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>			
Proceeds from foreign borrowings	3		
<b>Net cash flow from financing activities</b>			
<b>Net increase in cash and cash equivalents</b>			
<b>Cash and cash equivalent at beginning of the year</b>	<b>11</b>	<b>74,018,711</b>	<b>50,000,000</b>
<b>Cash and cash equivalent at end of the year</b>	<b>11</b>	<b>61,259,388</b>	<b>74,018,711</b>

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10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30<sup>th</sup> June 2024

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	<b>a</b>	<b>b</b>	<b>c=a+b</b>	<b>d</b>	<b>e=c-d</b>	<b>f=d/c %</b>
<b>Receipts</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Transfer from Government entities	-	-	-	-	-	0%
Proceeds from domestic and foreign grants	101,000,000		101,000,000	83,413,051	17,586,949	83%
Proceeds from borrowings			-		-	0%
Miscellaneous receipts		3,774,159	3,774,159	3,774,159		100%
Fund Balance B/F		74,018,711	74,018,711	74,018,711	-	100%
<b>Total Receipts</b>	<b>101,000,000</b>	<b>77,792,870</b>	<b>178,792,870</b>	<b>161,205,921</b>	<b>17,586,949</b>	<b>90%</b>
<b>Payments</b>						-
Compensation to employees						-
Purchase of goods and services	101,000,000	77,792,870	178,792,870	99,946,533	78,846,337	56%
Social security benefits					-	-
Acquisition of non-financial assets					-	-
Transfers to other government entities					-	-
Other grants and transfers					-	-
<b>Total Payments</b>	<b>101,000,000</b>	<b>77,792,870</b>	<b>178,792,870</b>	<b>99,946,533</b>	<b>78,846,337</b>	<b>56%</b>
<b>Surplus or Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,259,388</b>	<b>-61,259,388</b>	

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

## **11. Significant Accounting Policies**

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

### **a) Statement of compliance and basis of preparation**

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

The accounting policies adopted have been consistently applied to all the years presented.

### **b) Reporting entity**

The financial statements are for Nairobi Inclusive Sanitation Improvement Project under Athi Water Works Development Agency. The financial statements are for the reporting entity as required by Section 81/ Section 164 of the PFM Act, 2012.

### **c) Reporting currency**

The financial statements are presented in Kenya Shillings (Kshs), the project's functional and reporting currency. All values are rounded to the nearest Kenya Shilling.

### **d) Recognition of receipts**

*(The Project)* recognizes all receipts from various sources when an event occurs, and the related cash is received.

#### **i) Transfers from the Exchequer**

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

#### **ii) External Assistance**

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

#### **iii) Other receipts**

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

**Significant Accounting Policies (continued)**

**iv) Donations and grants**

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

**v) Proceeds from borrowing.**

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

**vi) Undrawn external assistance**

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

**e) Recognition of payments**

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

**i) Compensation to employees**

Salaries, wages, Allowances, and Statutory Contributions for employees are recognized when the compensation is paid.

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

**iv) Repayment of borrowing (principal amount)**

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

**Significant Accounting Policies (continued)**

**v) Acquisition of fixed assets**

The payment on the acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items, respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as a receipt and as a payment. A fixed asset register is maintained by each public entity, and a summary is provided for consolidation purposes. This summary is disclosed as an annexure to the consolidated financial statements.

**f) In-kind donations**

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

**g) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**h) Restriction on cash**

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

**Significant Accounting Policies (Continued)**

**i) Imprests and Advances**

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

**j) Contingent Liabilities**

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

**Significant Accounting Policies (Continued)**

**k) Contingent Assets**

(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.

**l) Pending bills**

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

**m) Budget**

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

**n) Third-party payments**

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

and are disclosed in the payment to third parties' column in the statement of receipts and payments.

**Significant Accounting Policies (Continued)**

**o) Exchange rate differences**

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

**p) Comparative figures**

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

**q) Subsequent events**

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2024.

**r) Prior period adjustments**

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations. The project did not have a prior year adjustment during the reporting period.

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**12. Notes to the Financial Statements**

**1. Transfers from Government entities**

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

Description	KShs	KShs	Cumulative to-date (from inception) KShs
	2023-2024	2022-2023	
<b><i>Counterpart funding through Ministry of Water, Sanitation and Irrigation</i></b>			
Counterpart funds Quarter 1	-	17,500,000	30,000,000
Counterpart funds Quarter 2	-	-	12,500,000
Counterpart funds Quarter 3	-	-	12,500,000
Counterpart funds Quarter 4	-	10,000,000	22,500,000
<b>Total (See Annex 2)</b>	<b>-</b>	<b>27,500,000</b>	<b>77,500,000</b>
<b><i>Other transfers from government entities</i></b>			
Appropriations-in-Aid		-	-
<b>Total</b>	<b>-</b>	<b>27,500,000</b>	<b>77,500,000</b>

*[Provide an explanation as necessary, noting that "Other transfers from government entities" is not the counterpart funding, which is the government's share of contribution towards the implementation of the project as mandated by the Project Agreement.]*

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2024, we received grants from donors as detailed in the table below:

Name of Donor	2023-2024						202-2023	Cumulative to date
	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	
			Kshs	Kshs	Kshs	Kshs	Kshs	
Grants Received from Bilateral Donors (Foreign Governments)		-	-	-	-	-	-	-
African Development Bank	Various	980,767	-	83,413,051	-	83,413,051	-	105,171,108
Grants Received from Multilateral Donors (International Organizations)		-	-	-	-	-	-	-
Insert name of international organization		-	-	-	-	-	-	-
Grants Received from Local Individuals and organizations		-	-	-	-	-	-	-
Insert name of individual or local organization		-	-	-	-	-	-	-
<b>Total</b>		<b>980,767</b>	<b>-</b>	<b>83,413,051</b>	<b>-</b>	<b>83,413,051</b>	<b>-</b>	<b>105,171,108</b>

(\* The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure adequate support documents are requested from the donors to support this grant).

Notes to the Financial Statements (Continued)

3. Loan from External Development Partners

During the financial period to 30 June 2024, the project did not receive funding from development partners in the form of loans negotiated by the National Treasury.

4. Miscellaneous receipts

Description	2023-2024			2022-2023	Cumulative to- date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	Total receipts	
	Kshs	Kshs	Kshs	Kshs	Kshs
Property income	-	-	-	-	-
Sales of goods and services	-	-	-	-	-
Administrative fees and charges	-	-	-	-	-
Fines, penalties, and forfeitures	-	-	-	-	-
Voluntary transfers other than grants	-	-	-	-	-
Interest on bank deposits	3,774,159	-	3,774,159	-	3,774,159
<b>Total</b>	<b>3,774,159</b>	<b>-</b>	<b>3,774,159</b>	<b>-</b>	<b>3,774,159</b>

*\*[Provide explanation as necessary and also indicate any writebacks reclassified as other receipts]*

Notes to the Financial Statements (Continued)

5. Compensation to Employees

The project is implemented by AWWDA staff and therefore no compensation was paid out from the grant proceeds.

6. Purchase of Goods and Services

Description	2023-2024			2022-2023			Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Payments made in Cash	Payments made by third parties	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Utilities, supplies and services	16,238,407	83,413,051	99,651,458	3,481,289	-	3,481,289	124,890,805
Communication, supplies and services	-	-	-	-	-	-	-
Domestic travel and subsistence	-	-	-	-	-	-	-
Foreign travel and subsistence	-	-	-	-	-	-	-
Printing, advertising, and information supplies	-	-	-	-	-	-	-
Rentals of produced assets	-	-	-	-	-	-	-
Training payments	-	-	-	-	-	-	-
Hospitality supplies and services	249,521	-	249,521	-	-	-	249,521
Insurance costs	-	-	-	-	-	-	-
Specialized materials and services	-	-	-	-	-	-	-
Other operating payments	45,554	-	45,554	-	-	-	45,554
Routine maintenance – vehicles and other transport equipment	-	-	-	-	-	-	-
Routine maintenance- other assets	-	-	-	-	-	-	-
Exchange rate losses/gains (net)	-	-	-	-	-	-	-
<b>Total</b>	<b>16,533,482</b>	<b>83,413,051</b>	<b>99,946,533</b>	<b>3,481,289</b>	<b>0</b>	<b>3,481,289</b>	<b>125,185,879</b>

[Provide an explanation as necessary]

**7. Social Security Benefits**

There was no social security benefit costs related to the project during the reporting period

**8. Acquisition of Non-Financial Assets**

*The project did not acquire any non-financial assets because it was wholly a study*

**9. Transfers to other Government Entities**

During the financial period to 30 June 2024, the project did not transfer any funds to other Agencies.

**10. Other Grants, Transfers, and Payments**

*The project did not make any transfers to other agencies during the reporting period*

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

**11. Cash And Cash equivalents**

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank accounts (Note 11A)	61,259,388	-
Cash in hand (Note 11B)	-	-
Cash equivalents (short-term deposits) (Note 11C)	-	74,018,711
<b>Total</b>	<b><u>61,259,388</u></b>	<b><u>74,018,711</u></b>

The Nairobi Inclusive Sanitation Improvement Project bank account was operationalised during the financial year, the balances initially managed through the development bank account were transferred to the project bank account and all subsequent payment were made through it.

**11. A Bank Accounts**

**Project Bank Accounts**

Details	2023-2024	2022-2023
	Kshs	Kshs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	-	-
Total Foreign Currency balances	=	=
<u>Local Currency Accounts</u>		
NCBA Bank Kenya PLC (A/C No. 6206750017)	61,259,388	-
Co-operative Bank of Kenya [A/c No01150084618512]	-	-
Total local currency balances	<u>61,259,388</u>	=
Total bank account balances	<b><u>61,259,388</u></b>	=

**Special Deposit Accounts**

The project did not special account because all the payments are done as direct payments.

**11 B Cash in hand**

There was no cash in hand related to the project as at 30<sup>th</sup> June 2024.

**11 C Cash equivalents (short-term deposits)**

Description	2023-2024	2022-2023
	Kshs	Kshs
Co-Operative Bank of Kenya [A/c No01150084618512]		74,018,711
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b><u>-</u></b>	<b><u>74,018,711</u></b>

The project did not have any balances under the short-term deposits as of 30<sup>th</sup> June 2024

***Nairobi Inclusive Sanitation Improvement Project***  
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**Notes to the Financial Statements (Continued)**

**12. Imprests and Advances**

The project did not have imprests and advances as of 30th June 2024.

**12A: Breakdown of Imprests and Advances**

There were no un-surrendered imprests and advances related to the project as of 30<sup>th</sup> June 2024.

**13. Third-Party Deposits and Retention**

There were no third-party deposits and retentions related to the project as of 30<sup>th</sup> June 2024.

**14. Fund Balance Brought Forward**

Description	2023/24	2022/23
	KShs	KShs
Bank accounts		50,000,000
Cash in hand		
Cash equivalents (short-term deposits)	74,018,711	
Outstanding imprests and advances		
<b>Total</b>	<b>74,018,711</b>	<b>50,000,000</b>

**15. Prior Year Adjustment**

The project did not have any prior year adjustments for the year ended 30<sup>th</sup> June 2024.

**16. Changes in Accounts Receivables (Imprests and Advances)**

There was no change in receivables because the project did not have receivables.

**17. Changes in Accounts Payables (Deposits and Retention)**

There was no change in payables because the project did not have payables.

**Other Important Disclosures**

**18. Pending Accounts Payable (See Annex 4a)**

The project did not have any account payables.

**19. Pending Staff Payables (See Annex 4b)**

The project did not have any payables related staff related costs.

**20. Other Pending Payables (See Annex 4c)**

The project did not have any other account payables.

**21. External Assistance**

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

**22. Payments By Third Party on Behalf of The Project**

The project did not have any third-party payments.

**23. Related Party Disclosures**

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

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

**Related party transactions:**

	<b>2023-2024 Kshs</b>	<b>2022-2023 Kshs</b>
<b>Compensation to Key Management</b>		
Compensation to the program manager/ director	-	-
Key Management Compensation others (specify)	-	-
<b>Total Compensation to Key Management</b>	-	-
<b>Transfers to related parties</b>		
Transfers to other government entities	-	-
<b>Total Transfers to related parties</b>	-	-
<b>Transfers from related parties</b>		
Transfers from the Ministry/ County department	-	27,500,000
Payments made on behalf of the project by other govt. entities	-	-
(Insert any other transfers received)	-	-
<b>Total Transfers from related parties</b>	-	<b>27,500,000</b>

**24. Contingent Liabilities**

The project did not have any contingent liabilities

13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:(Resolved / Not Resolved)	Time frame:
Other matter	<p>The statement of comparison of budget and actual amounts reflects a final budget and actual receipts on comparable basis of Kshs.98,500,000 and Kshs.77,500,000 respectively, resulting to an underfunding of Kshs.21,000,000 or 21% of the budget. Similarly, the Project spent Kshs.3,481,289 against an approved budget of Kshs.98,500,000 resulting to an under-expenditure of Kshs.95,018,711 or 96% of the budget.</p> <p>The under-funding and under-expenditure affected the planned project's activities and may have impacted negatively on service delivery to the public.</p>	<p>The project activities are funded through direct payment method of disbursement except for taxes which are financed by GoK. The AIA budget allocation was not adequate to finance any of the invoices that had been raised by the project. This affected both the receipts and payments for the period. We however confirm that the underfunding did not affect the planned project activities because despite the underfunding the project activities have been finalized ahead of project closure on 31st December 2023. All the invoices were paid and the project successfully closed.</p>	Resolved	



Chief Executive Officer  
 Name: Eng. Joseph Mungai Kamau



Project Manager  
 Name: Eng. Bonnie Nyandwaro

*Nairobi Inclusive Sanitation Improvement Project*  
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Annex 2: Variance explanations - Comparative Budget and Actual Amounts for Current FY

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
<b>Receipts</b>					
Transfer from Government entities	-	-	-	0%	
Proceeds from domestic and foreign grants	101,000,000	83,413,051	17,586,949	83%	The project successfully closed
Proceeds from borrowings	-	-	-	0%	
Miscellaneous receipts	3,774,159	3,774,159	-	0%	
Fund Balance B/F	74,018,711	74,018,711	-	100%	
<b>Total Receipts</b>	<b>178,792,870</b>	<b>161,205,921</b>	<b>17,586,949</b>	<b>90%</b>	
<b>Payments</b>					
Compensation of employees	-	-	-	-	
Purchase of goods and services	178,792,870	99,946,533	78,846,337	56%	The project activities closed
Social security benefits	-	-	-	-	
Acquisition of non-financial assets	-	-	-	-	
Transfers to other government entities	-	-	-	-	
Other grants and transfers	-	-	-	-	
<b>Total payments</b>	<b>178,792,870</b>	<b>99,946,533</b>	<b>78,846,337</b>	<b>56%</b>	
<b>Surplus or Deficit</b>	<b>-</b>	<b>61,259,388</b>	<b>- 61,259,388</b>		

Annex 3: Reconciliation of inter-entity transfers

Project Name: Nairobi Inclusive Sanitation Improvement Project				
Break down of transfers from the State Department of Water and Sanitation				
<b>a.</b>	<b>Government Counterpart funding</b>			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			-	
			-	
			-	
		<b>Total</b>	<b>-</b>	
<b>B.</b>	<b>Direct payments</b>			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		Various	83,413,051	
		<b>Total</b>	<b>83,413,051</b>	
<b>C.</b>	<b>Others</b>			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			-	
		<b>Total</b>	<b>-</b>	
		<b>Total (A+B+C)</b>	<b>83,413,051</b>	

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



Project Manager  
 Name: Eng. Bonnie Nyandwaro



Director Finance  
 Name: CPA, Michael Kihungi Kimotho  
 ICPAK Member Number: 6490

**Annex 4a: Analysis of Pending Bills**

Contracts	Date Contracted/invoiced	Additions for the period	Amount Paid To-Date	Outstanding Balance 2023 - 2024	Outstanding Balance 2022 - 2023	Comments
		a	b	c=a-b		
<b>Supply of services</b>						
Consultancy Services for Feasibility Study, detailed design, tender documentation, ESIA & Connections Strategy for Nairobi Inclusive Sanitation Improvement Project				-	66,018,716	The project is complete and closed. All the invoices were paid hence the project did not any pending bills.

**Annex 4b: Analysis of Pending: Staff Bills**

The project did not have pending staff bills because the project team comprises AWWDA staff whose compensation is paid by the institution.

**Annex 4c: Analysis of Other Pending Payables**

The project did not have any other pending payables .

**Annex 5: Summary of Fixed Assets Register**

No non-financial assets were acquired through the project since it was a study.

**Annex 6: Contingent Liabilities Register**

The project did not have any contingent liabilities related to the expenditure.

**Annex 7: Reporting of Climate Relevant Expenditures**

Project Name	Project Objectives	Tree planting expenditure				Source Of Funds	Implementing Partners
		Q1	Q2	Q3	Q4		
Karimenu II Project	The system is currently supplying 40% of its 70,000m <sup>3</sup> design capacity of water to Juja, Gatundu and Ruiru. The system is expected to operate at 100% once the pipeline works to Kiambu tank are completed	0.00 <i>(Seedlings donated by Stakeholders)</i>	0.00 <i>(Seedlings donated by Stakeholders)</i>	0.00 <i>(Seedlings donated by Stakeholders)</i>	0.00 <i>(Seedlings donated by Stakeholders)</i>	-	AWWDA Forester Nation Gatundu North & South University Students & Alumni (GUSA) Fit Nation RODI KENYA TAI SACCO Local community
Kamiti River Riparian Restoration	Important intake area for Kiambu Water Supply				450,660	AWWDA, KCB Bank, Muchemi & Co. Advocates, DANCO Capital Ltd	NCBA Bank, KCB Bank, Muchemi & Co. Advocates, RODI Kenya, and DANCO Capital Ltd
Kimakia Forest, Murang'a County	Part of the AWWDA Water catchment areas				580,360	AWWDA, CO-OPERATIVE Bank, NORKEN International	CO-OPERATIVE Bank, NORKEN International, RODI Kenya
Kinale Forest	National Tree Planting and Catchment Restoration Campaign				429,650	AWWDA Thika Water & Sewerage Company	Kiambu Water & Sewerage Company, Limuru Water & Sewerage Company, Kikuyu Water & Sewerage Company, Thika Water & Sewerage Company,
Kimana Wetlands, Kajiado County	National Tree Planting and Catchment Restoration Campaign				213,850	GoK	MWSI

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**Annex 8: Reporting Disaster Management Expenditure**

The project did not incur disaster related expenditure

**Annex 9: Other Support Documents**

- i. Bank Reconciliations statement as at 30<sup>th</sup> June 2024
- ii. Board of Survey Report