

REPUBLIC OF KENYA



*Paper laid by
Leader of Majority
Party
Tuesday 19/6/2018
Agh*



OFFICE OF THE AUDITOR-GENERAL

REPORT



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THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF STATE
DEPARTMENT FOR WATER SERVICES

FOR THE YEAR ENDED
30 JUNE 2017



MINISTRY WATER AND IRRIGATION
STATE DEPARTMENT FOR WATER SERVICES

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

ISSUED ON: SEPTEMBER 30, 2017

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

**MINISTRY OF WATER AND IRRIGATION,
STATE DEPARTMENT FOR WATER SERVICES
Reports and Financial Statements
For the year ended June 30, 2017**

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The Ministry Water and Irrigation was formed through Presidential Executive Order No. 80 of April 2013. The Ministry is headed by the Cabinet Secretary for Water and Irrigation, Hon. Eugene L. Wamalwa, EGH who is responsible for the general policy and strategic direction of the entity.

The Ministry further consists of two State Departments each administered by a Principal Secretary.

The State Departments under Ministry of Water and Irrigation are outlined below;

- (i) The State Department for Irrigation administered by Zeinab A. Hussein (Mrs.), CBS
The State Department for Water Services administered by Prof. Fred H. K. Segor,
CBS

The accompanying financial statements constitute the financial statements for the State Department for Water Services.

The vision, mission, core values and core function of the **State Department for Water Services** under **Ministry of Water and Irrigation** include:

1.1 Vision

Adequate, safe and sustainably managed water resources for development.

1.2 Mission

To facilitate good governance in the protection, restoration, conservation, development and management of water resources for equitable and sustainable development.

1.3 Core Values

- a. **Sustainable Development:** The Ministry shall carry out Environmental Impact Assessments (EIAs) on all projects as well as ensure conflict resolution in water resources use through Water Resources Users Associations (WRUAs) and Irrigation Water Users Associations(IWUAs)
- b. **Honesty and Integrity:** The ministry and its staff shall ascribe to high standards of personal ethics and integrity in the conduct of its affairs.
- c. **Human Dignity:** The Ministry is committed to uphold reasonable standards of sanitation for the citizens.

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- d. Teamwork and focus on results:** The Ministry will relentlessly pursue timely attainment of targeted results at all levels through high level coordination, networking and collaboration with all staff.
- e. Innovativeness:** The Ministry is committed to innovativeness, creativeness, resourcefulness and focused planning and customer driven service delivery
- f. Equity:** The Ministry shall promote at all times the virtues of equity and fair play for equitable sustainable development.
- g. Participatory Approach:** The Ministry is committed to consultations, joint and comprehensive partnership in all its undertakings.

1.4 Core Functions

The core functions of the State Department for Water Services include:

- a. Water Resources Management Policy
- b. Water Sewerage Services Management Policy
- c. Waste Water Treatment and Disposal Policy
- d. Water Catchment Area Conservation, Control and Protection
- e. Water Quality and Pollution Control
- f. Sanitation management
- g. Management of Public Water Schemes and Community Water Projects
- h. Management of Trans boundary Water Resources

(b) Key Management

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

- i. Directorate of water
 - Department of Water Services
 - Department of Water Resource
 - Department of Trans boundary Waters
 - Department of Shared Services
- ii. Directorate of shared services
 - Human Resource Management and Development Department
 - Planning (CPPMU) Department
 - Finance Department
 - Accounts Department

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I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

- Supply Chain Management Department
- Administration General Department
- Records Management Department
- ICT Department
- Public Communication Department
- Internal Audit Department

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

<u>No.</u>	<u>Designation</u>	<u>Name</u>
1.	Cabinet Secretary, Ministry of Water and Irrigation	- Hon. Eugene L Wamalwa, EGH
2.	Principal Secretary, State Department for Water Services	- Prof. Fred H. Segor, CBS
3.	Ag. Water Secretary, State Department for Water Services	- Eng. Lawrence Simitu
4.	Director, Department of Infrastructure Development	- John Muiruri
5.	Director, Department of Trans-boundary Waters	- Gladys Wekesa
6.	Director, Department Water Resources	- Chrispine Juma
7.	Director, Human Resource Management and Development - Department	- Caroline Mugwe
8.	Chief Economist, Planning (CPPMU) Department	- Paul Asele
9.	Chief Finance Officer, Finance Department	- Daniel M. Kihara
10.	Principal Accounts Controller, Accounts Department	- Peter N. Kabebe
11.	Head, Supply Chain Management Department	- Elijah Obebo
12.	Senior Director of Administration, Administration General Department	- Joshua H. O. Ouma
13.	Head, Audit	- Julius O. Akicho
14.	Head, ICT	- Tirus Munyu
15.	Head, Gender Mainstreaming	- Sophia Opiyo
16.	Head, Legal	- Rose Nyakwana

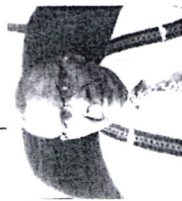
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Hon. Eugene L. Wamahwa, EGH,
Cabinet Secretary, Ministry of Water and Irrigation



Einab A. Hussein (Mrs.), CBS
Principal Secretary, State Department for Irrigation



Joshua O. H. Ouma
Senior Director Administration



Eng. Lawrence Simitu
Ag. Water Secretary,



John M. Muiruri
Director, Department of
Infrastructure Development



Gladys Wekesa
Director, Transboundary
Waters



Chrispine Juma
Director, Water Resources
Management and Development



Ms Caroline Mugwe
Director, Human Resource
Management and Development



Prof. Fred H. K. Segor, CBS
Principal Secretary, State Department for Water Services



Paul Asele
Chief Economist, Planning Department



Elija Obebo
Head, Supply Chain Management



Peter N. Kabebe
Head of Accounting Unit



Daniel N. Kihara
Chief Finance Officer

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I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

Senior Management – State Department for Water Services (continued)



*Hon. Eugene L. Wamalwa,
EGH
Cabinet Secretary, Ministry
of Water and Irrigation*

Hon. Eugene L. Wamalwa, EGH the position of Cabinet Secretary, Ministry of Water and Irrigation in July, 2015 following the successful general election under the new Constitutional dispensation. In his portfolio, Hon. Eugene is charged with formulating and ensuring implementation of policies geared towards devolution. He holds a Masters Degree in Law from the University of Nairobi, a Bachelor's Degree, Law, LLB (Hons) Degree from University of Nairobi, Kenya.



*Zeinab A. Hussein (Mrs.),
CBS,
Principal Secretary, State
Department for Irrigation*

Zeinab A. Hussein (Mrs.), CBS assumed the position of Principal Secretary, State Department for Irrigation in April 2017 following a reshuffle of Principal Secretaries by His Excellency President Uhuru Kenyatta. Prior to this, she was the Principal Secretary, State Department of Gender Affairs.

Zeinab is charged with the responsibility of National Irrigation Policy and Management, Water storage and Flood Control, Land Reclamation, management of Irrigation Schemes, Mapping, Designing and Developing areas ideal for irrigation schemes. Zeinab is a graduate of the Havard University, Kennedy school of Government, Business and Economics, MBA, from University of Nairobi.



*Prof. Fred H. K. Segor, CBS
Principal Secretary, State
Department for Water Services*






Prof. Fred H. K. Segor assumed the position of Principal Secretary, State Department for Water Services in November, 2015 following a reshuffle of Principal Secretaries by His Excellency President Uhuru Kenyatta in the new Constitutional dispensation. Prof. Segor is the accounting officer for the State Department and is instrumental in development and implementation of Ministry's policies and strategic plans, facilitating the achievement of the goals and objectives of government, ensuring effective and efficient utilization of resources and promoting values. He holds a PhD in Chemistry, Master's and Bachelor's degree in Chemistry all from the University of Nairobi.





*Eng. Lawrence Simitu,
Ag. Water Secretary State
Department for Water
Services*

Eng. Lawrence Simitu assumed the position of Ag. Water Secretary in July 2009. He is in charge of policy formulation, Strategies, development programs and coordination. He holds a Master's of Science in Civil Engineering from Nairobi University, Kenya.

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 <p>Gladys Wekesa, Director Trans-boundary Water</p>	<p>Ms. Gladys Wekesa assumed the position of Ag. Director Trans-boundary in January, 2016. Spearheading and coordinating the sustainable management and development of the transboundary water resources through: policy formulation of transboundary water resources, (2) coordination and supervision of the activities of projects under the inter-governmental institutions such as Nile Basin Initiative (NBI), Inter Governmental Authority on Development (IGAD) and Lake Victoria Basin Commission (LVBC) (3) Spearheading negotiation processes on our transboundary water resources with other partner states, etc</p> <p>She holds a Bachelor's of Science from the University of Nairobi.</p>
 <p>Joshua H. O. Ouma, Ag. Director Administration</p>	<p>Mr. Joshua Harry Okoth Ouma, PWD, He assumed the position of Ag. Director of Administration November, 2016. He represents the Principal Secretary in various Boards and Chairs Ministerial Interview Panels. He holds a Bachelor of Arts degree from the University of Nairobi.</p>
 <p>Chrispin Juma, AG. Director, Water Services</p>	<p>Mr. Chrispin Juma assumed the position of Ag. Director Water Services in November 2015. Assessment of water resources; development of strategies and methods of preservation, conservation, utilization and apportionment of water resources; formulation of pollution control guidelines; review of national drinking water standards; coordination collection, analysis and maintenance of water resources data. Master of Science (M.Sc.) Degree Thesis 'An Electrical Resistivity Survey in the area south of Suswa Volcano'</p>
 <p>Ms Caroline Mugwe, Director, Human Resource Management</p>	<p>Mrs. Caroline Mugwe joined the Ministry of Water and Irrigation in May, 2017. She is incharge of Recruitment and Selection, Human Resource Planning, performance management, payroll management, Disciplinary Control and Pensions Management. She holds a Master's (MBA) from Kenyatta University, Bcom Degree from the University of Nairobi. CPS (K) KASNEB – 2013 and a member of IHRM – 2013</p>
 <p>Mr. Paul Asele Chief Economist</p>	<p>Mr. Paul Asele assumed the position of the Chief Economist from August, 2010. He is in charge of formulation and interpretation of sectoral policies and strategies and preparation of projects and programmes; Economic and social appraisal of projects and programmes; participating in project reviews and evaluation missions; co-ordination of monitor and evaluation of all projects and programme. Co-ordination of performance contracting in the Minis and its state corporations. He holds a Master's of Arts (in economics) and bachelor's degree (in economics from University of Nairobi) and ins a member of Economists Society of Kenya</p>

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	<p>Mr. Peter Kabebe assumed the position of Head of Accounting Unit in February, 2016. He is in charge of accounting and financial reporting as well as designing, implementing and monitoring internal control relevant to the preparation and fair presentation of financial statements. He is pursuing a Master's of Science in Finance and Investment at Kenya College of Accountancy University, he holds and Bachelor's degree in Accounting and Finance from Kenya Methodist University and is a Certified Public Accountant in Kenya.</p>
	<p>Daniel M. Kihara assumed the position of Chief Finance Officer in August 2016. He is in charge of budgeting formulation, management and control which involves budget preparation, implement, and overall public financial management and governance. He has an MBA from the University of Nairobi, Bachelors from the same University and a full Certified Public Accountant CPA (K).</p>

i) Audit and finance committee activities

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

Attendance of the audit and finance committee members

There was no audit and finance committee meeting since the committee had not been constituted.

ii) Budget Committee Activities

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

- To review budgets, supplementary estimates and performance of budget against actual for the State Department in consultation with the Heads of Department.
- To participate in sector working groups
- To review and consider the cash flow plans

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- To review the utilization of the cash limits and consider any changes as may be required;
- To review the utilization of the donor funds voted for the State Department.
- To advise the accounting officer on the challenges related to the budget implementation
- To review and recommend the reallocation of payments

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

Attendance of the Budget Committee Members

There was no budget committee meeting since the committee has not been constituted. The budget was reviewed by the CFO, Water Secretary and Head of Accounting Unit and approved by the PS. In the financial year 2017/2018 the committee is in place.

iii) Human Resources Management Advisory Committee Activities

This committee is composed of the following members drawn from various sectors in the government with broad management and advisory knowledge:

1. Prof. Fred Segor
2. Mr. B. K. Giuthua
3. Mr. D. M. Jakaiti
4. Mr. A. Ndwiga
5. Mr. C. O. Juma
6. Mr. J. K. Yatich
7. Eng. SAO Alima
8. Eng J. M. Muiruri
9. Mr. P. Asele
10. Mr. Peter Kabebe
11. Ms Gladys Wekesa
12. Mr. D. Kihara
13. Mr.E.J.Obebo
14. Mr.I.T.Githae.

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I KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

Their duties include:

- Review of promotions of officers in Job Group A-P
- Review of confirmations in appointment
- Review of disciplinary matters
- Review of re-designation of officers from one cadre to another and
- Confirmation of surcharge of officers found to have misused government resources.

Attendance of the human resource management advisory committee members

The following shows the number of human resource management advisory committee meetings held during the year and the attendance of individual members.

Committee attendance for the year ended 30th June, 2017	Human Resource Management Advisory Committee Meeting							Total Attendance
	11/8/16	14/11/16	1/12/16	10/1/17	14/3/17	25/4/17	9/5/17	
Prof. Fred Segor	✓	X	✓	✓	X	X	✓	4
Mr. B. K. Giuthua	✓	✓	✓	✓	✓	✓	✓	7
Mr. D. M. Jakaiti	✓	X	✓	X	X	X	✓	3
Mr. A. Ndwiga	✓	✓	✓	✓	✓	✓	X	5
Mr. C. O. Juma	X	✓	✓	✓	X	X	✓	3
Mr. J. K. Yatich	X	✓	✓	X	✓	✓	X	3
Eng. SAO Alima	✓	✓	✓	✓	X	X	X	3
Eng J. M. Muiruri	✓	X	✓	✓	X	X	✓	4
Mr. P. Asele	X	X	✓	X	✓	✓	✓	4
Mr. Peter Kabebe	✓	X	✓	✓	✓	✓	✓	6
Ms Gladys Wekesa	✓	X	✓	✓	✓	✓	X	5
Mr. D. Kihara	X	X	✓	X	✓	✓	X	3
Mr.E.J.Obebo	✓	X	✓	✓	✓	✓	X	5
Mr.I.T.Githae	X	✓	✓	✓	✓	✓	X	5

iv) Training Committee activities

This committee is composed of the following members drawn from various sectors in the government with broad education and training knowledge:

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I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

This is the committee charged with the responsibilities of human resource development needs. Their duties include:

- Overall coordination of the training functions in the State Department.
- Review and implementation of the State Department training plan;
- Review of induction of newly appointed officers and activities around long term training

Committee attendance for the year ended 30th June, 2017	Training Committee Meeting							Total Attendance
	11/8/16	14/11/16	1/12/16	10/1/17	14/3/17	25/4/17	9/5/17	
Prof. Fred Segor	✓	X	✓	✓	X	X	✓	4
Mr. B. K. Giuthua	✓	✓	✓	✓	✓	✓	✓	7
Mr. D. M. Jakaiti	✓	X	✓	X	X	X	✓	3
Mr. A. Ndwiga	✓	✓	✓	✓	✓	✓	X	5
Mr. C. O. Juma	X	✓	✓	✓	X	X	✓	3
Mr. J. K. Yatich	X	✓	✓	X	✓	✓	X	3
Eng. SAO Alima	✓	✓	✓	✓	X	X	X	3
Eng J. M. Muiruri	✓	X	✓	✓	X	X	✓	4
Mr. P. Asele	X	X	✓	X	✓	✓	✓	4
Mr. Peter Kabebe	✓	X	✓	✓	✓	✓	✓	6
Ms Gladys Wekesa	✓	X	✓	✓	✓	✓	X	5
Mr. D. Kihara	X	X	✓	X	✓	✓	X	3
Mr. E. J. Obebo	✓	X	✓	✓	✓	✓	X	5
Mr. I. T. Githae	X	✓	✓	✓	✓	✓	X	5

(d) State Department for Water Services, Headquarters

P.O. Box 49720-00100
Maji House
Ngong Road
Nairobi, KENYA

(e) Entity Contacts

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(f) Entity Bankers

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

(g) Independent Auditors

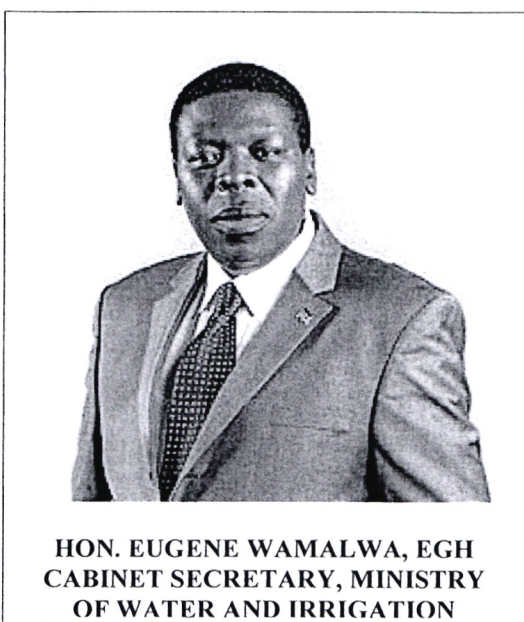
Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser

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

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II. COMMENTARY BY THE CABINET SECRETARY



The Ministry of Water and Irrigation was created as a result of the organization of the Government by assignment of Ministerial functions OP/CAB/26 of 30/06/2015 and 23/07/2016 and other emerging issues in the sector. On the same note, the State Department for Water Services was established through Executive Order No.1/2016 of March, 2016 which clearly stipulates its functions. The Sub-Sector is mandated to protect, conserve, manage and increase access to clean and safe water for socio-economic development. The functions of the sub sector are:

- (i) Water Resources Management Policy
- (ii) Water and Sewerage Services Management Policy
- (iii) Waste Water Treatment and Disposal Policy
- (iv) Water Catchment Area Conservation, Control and Protection
- (v) Water Quality and Pollution Control
- (vi) Sanitation Management
- (vii) Management of Public Water Schemes and Community Water Project.
- (viii) Trans boundary water resources management.

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II. COMMENTARY BY THE CABINET SECRETARY(CONTINUED)

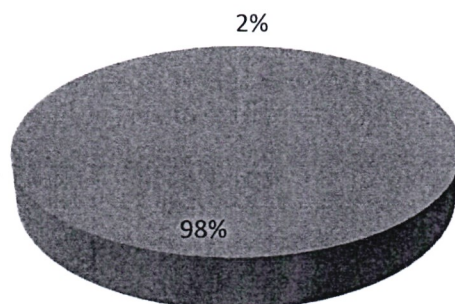
BUDGET ALLOCATION

In the financial year 2016/17 the State Department for Water Services had a gross budget of **KShs. 48,891,904,501** which was made up of **KShs. 4,686,817,370** and **KShs. 44,205,087,131** for recurrent and development vote respectively.

The State Department was to expend the gross budget of **KShs. 48,891,904,501** under the following two programmes:

Budget Utilization by Programs

- General administration ,planning and support services
- Water Resource Management



1. General Administration, Planning and Support Services Programme

The objective of this programme is to promote good governance in the management of water resources. The budgetary allocation for the programme was **KShs. 892,374,828** in 2016/17 representing **2%** of the total budget. The programme had absorption rate of **95.7%** with an actual expenditure of **Kshs. 854,303,447** during the year.

2. Water Resources Management Programme

The objective of this programme is to increase access and availability of adequate and quality water resources. The budgetary allocation for the programme was **KShs. 47,999,904,501** in 2016/17 representing **98%** of the total budget. The programme had absorption rate of **75%** with an actual expenditure of **Kshs. 35,184,061,546** during the year.

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II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

The programme consisted of two sub-programmes:

a. Sub-programme 2.1: Water Resources Conservation and Protection

This sub-programme involves construction and rehabilitation of water resources monitoring stations, carrying out water abstraction and pollution surveys, developing sub catchment management plans and drilling of exploratory boreholes

b. Sub-programme 2.2: Water Supply infrastructure

This sub-programme involves construction and expansion of urban water supplies, construction of community and sanitation projects, expansion of sewerage schemes, drilling and equipping of boreholes.

Key Performance Highlights

Below is an overview of the financial performance for the year ended 30th June 2017 as reported in the detailed financial statements together with the commentary and comparative analysis against the budget and prior year for the key items in the financial statements.

Financial Performance Summary

Actual Performance against Budget for Year to 30th June 2017

Financial Performance	Printed Estimates	Actual	Variance	%
	KShs	KShs	KShs	Utilisation Variance
Total Receipts	48,891,904,501	36,159,058,177	12,732,846,324	26%
Total Payments	48,891,904,501	36,038,352,794	12,853,551,707	26.3%
Surplus for the Year	0	120,705,383	120,705,383	>100%

Actual receipts by the MDAs stood at 26% below budget while actual payments were 26.3% below budget. This is attributable to underutilisation of budget allocation for acquisition of assets and transfers and grants.

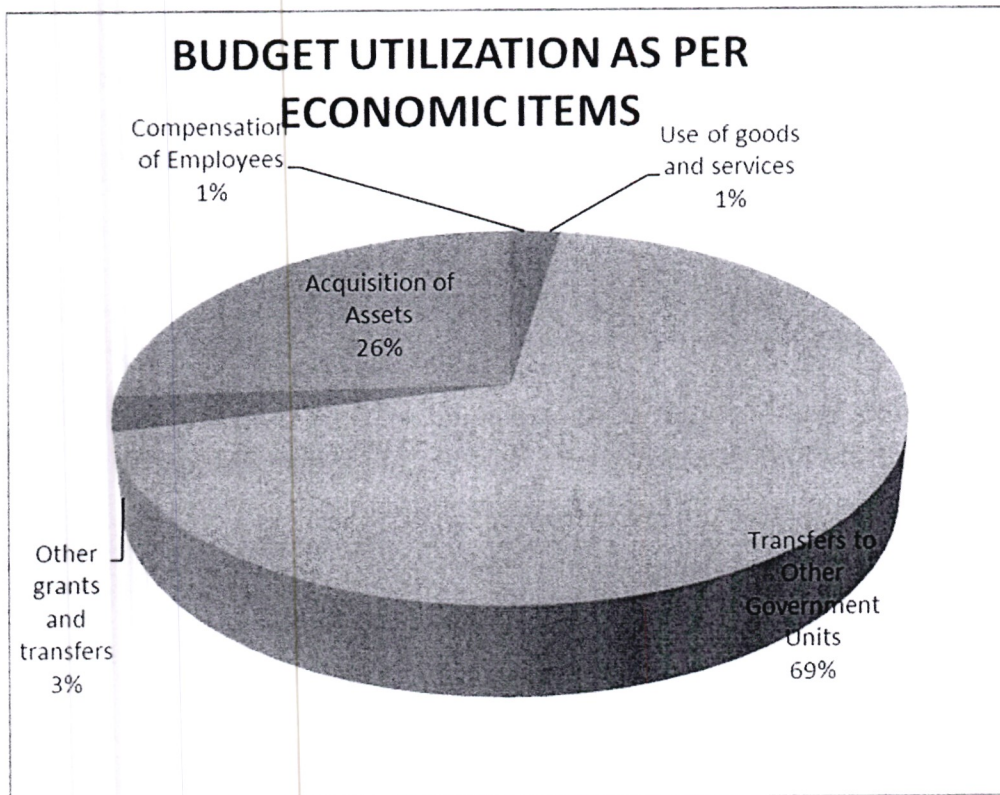
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II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

Budget Utilisation

The State Department spent **KShs. 36,038,352,794** against an approved budget of **KShs. 48,891,904,501** representing absorption of **74%**. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below:

	Approved Budget Allocation	Actual Payments	Variance
	KShs	KShs	KShs
Compensation of Employees	584,626,458	552,983,571	31,642,887
Use of goods and services	347,761,124	323,996,906	23,764,218
Transfers to Other Government Units	34,857,343,448	24,785,802,620	10,071,540,828
Other grants and transfers	1,101,124,183	1,100,760,895	612,288
Acquisition of Assets	12,001,049,288	9,274,808,802	2,726,240,486
Total Payments	48,891,904,501	36,038,352,794	12,853,551,707



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II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

It is noted that 69% of the State Department's budget was used in Transfers to Other Government entities i.e., Semi-Autonomous Government Agencies (SAGAs). 1% of the budget was utilised on employee compensation and use of good and services respectively, while 26% was utilised in Acquisition of assets, other grants and transfers amounted to 3%.

Current Year Performance against Prior Year

Financial Performance	Year to 30th June 2017	Year to 30th June 2016	Change	%
	KShs	KShs	KShs	Change
Total Receipts	36,159,058,177	20,512,556,258	15,646,501,919	76.3%
Total Payments	36,038,352,794	20,411,143,711	15,627,209,083	76.6%
Surplus/(Deficit) for the Year	120,705,383	101,412,547	19,292,836	0.3%

Total receipts increased by 76.3% due to increase funding to the MDAs mainly through exchequer releases while there was an equivalent increase of 76.6% in payments attributed to the increase funding.

Receipts

The State Department's receipts mainly comprise of exchequer releases from the National Treasury. Other receipt sources include external grants, various administrative fees and charges and transfers from Semi-Autonomous Government Agencies (SAGAs).

The total receipts for FY 2016/2017 stood at **KShs 36,159,058,177**, representing a **76.3%** increase from **KShs 20,512,556,258** for FY 2015/2016.

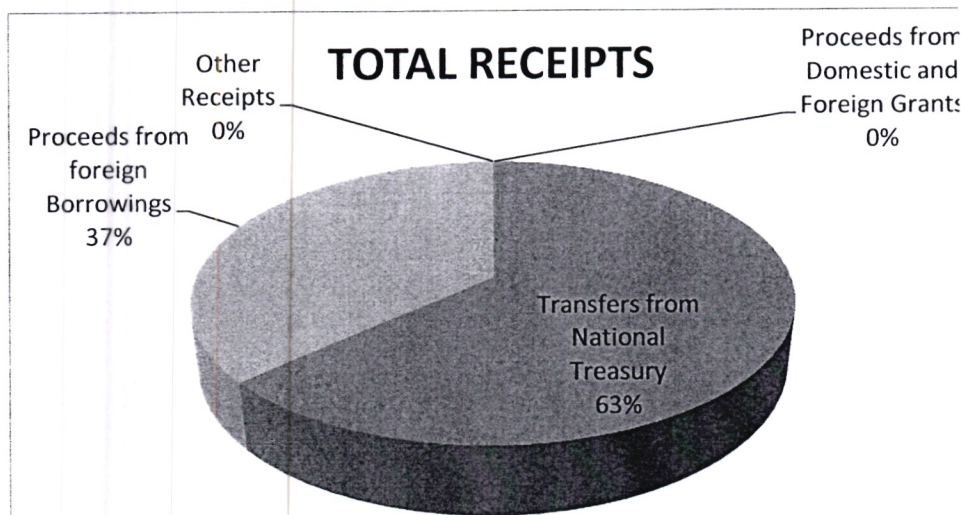
**MINISTRY OF WATER AND IRRIGATION,
STATE DEPARTMENT FOR WATER SERVICES
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For the year ended June 30, 2017**

II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

Total Receipts Breakdown

	Year to 30 th June 2017	Year to 30 th June 2016	Change	%
Receipts	KShs	KShs	KShs	Change
Proceeds from Domestic and Foreign grants	91,963,910	664,651,428	572,687,518)	(86)
Transfers from National Treasury	22,816,057,602	16,607,435,406	6,208,622,196	37
Proceeds from Foreign Borrowings	13,249,074,165	2,740,884,085	10,508,190,080	383
Other Receipts	1,962,500	499,585,339	497,622,839	(100)
Total Receipts	36,159,058,177	20,512,556,258	15,646,501,919	76

The increase in total receipts is as a result of an increase in exchequer releases from the National Treasury by KShs 6.2 Billion due to increased budgetary allocation. Increase in proceeds from foreign borrowings is as result of increased funding from donors.



**MINISTRY OF WATER AND IRRIGATION,
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II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

The diagram above depicts the share of major categories of receipts for the fiscal year ended 30th June 2017. The major source of funding for the State Department is exchequer releases that account for 63% of the total receipts.

Payments

The State Department's payments mainly comprise of Transfers to Other Government entities i.e. Semi-Autonomous Government Agencies (SAGAs).

The total payments for FY 2016/2017 stood at KShs 36.0 Billion, representing a 76% increase from KShs 20.4 Billion for FY 2015/2016.

Total Payment Breakdown

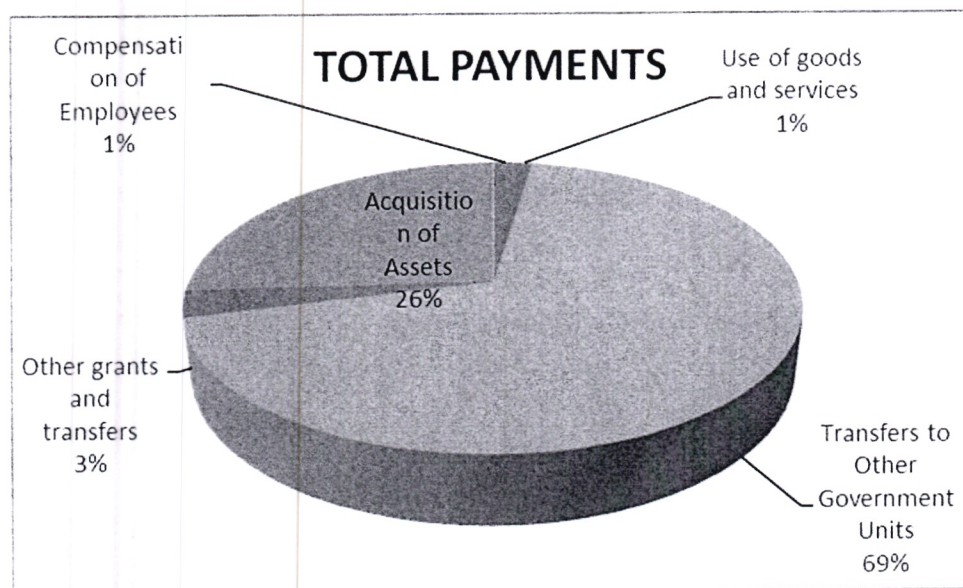
	Year to 30 th June 2017	Year to 30 th June 2016	Change	%
Payment	KShs	KShs	KShs	Change
Compensation of Employees	552,983,571	623,899,166	-70,915,595	-11.4
Use of goods and services	323,996,906	309,016,187	14,980,719	48
Transfers to Other Government Units	24,785,802,620	4,346,150,732	20,439,651,888	470.3
Other grants and transfers	1,100,760,895	3,338,082	1,097,422,813	32875.8
Acquisition of Assets	9,274,808,802	15,128,739,544	-5,853,930,742	-38.7
Total Payments	36,038,352,794	20,411,143,711	15,627,209,083	76.6%

The increase in payments is attributable to a significant increase in Transfers to Other Government entities i.e. Semi-Autonomous Government Agencies (SAGAs) by 470%.

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II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

The diagram below depicts the share of major categories of payments for the fiscal year ended 30th June 2017.



Financial Assets Summary

Financial Assets	Year to 30 th June 2017	Year to 30 th June 2016	Change	%
	KShs	KShs	KShs	Change
Bank Balances	152,085,914	89,550,695	62,535,219	69.83
Cash Balances	45,999	-	45,999	100.00
Accounts receivable	2,542,880	1,586,727,901	-1,584,185,021	-99.84
Total Financial Assets	154,674,793	1,676,278,596	-1,521,603,803	-90.77

Bank balances increased by 69.83 % as a result of late exchequer release by the National Treasury. Cash balances Increased by 100%. The change in accounts receivable was as a result of prompt surrender of all interest and clearing of all outstanding balances in the system and in the manual register.

**MINISTRY OF WATER AND IRRIGATION,
STATE DEPARTMENT FOR WATER SERVICES
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II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

Cash Flows and Cash Position

The cash and bank balances held by the State Department for Water Services as at 30th June 2017 was KShs 152.1 Million compared to KShs 89.5 Million held as at 30th June 2016. The breakdown of the cash and bank balances is as summarized in the table below.

Cash and Bank Balance

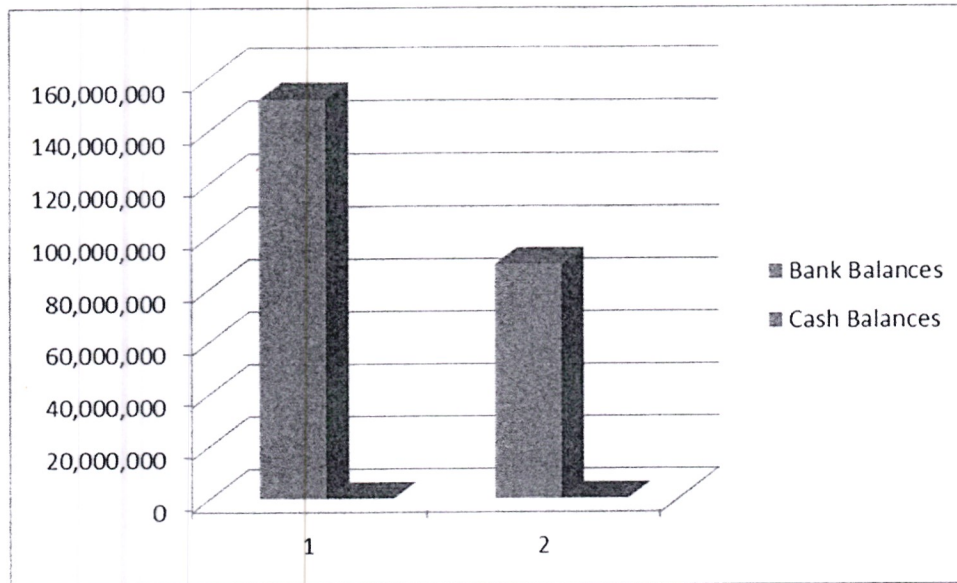
Cash and Bank balances	Year to 30th June 2017	Year to 30th June 2016	Change	%
	KShs	KShs	KShs	Change
Bank Balances	152,085,914	89,550,695	62,535,219	69.83
Cash Balances	45,999	0	-45,999	100
Total	152,131,913	89,550,695	62,581,218	69.88

Bank balances increased by 69.83 % as a result of late exchequer release by the National Treasury.
Cash balances Increased by 100% as there were no balances in FY 2015/2016

**MINISTRY OF WATER AND IRRIGATION,
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For the year ended June 30, 2017**

II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

CASH AND BANK BALANCES



Cash Flow Activities

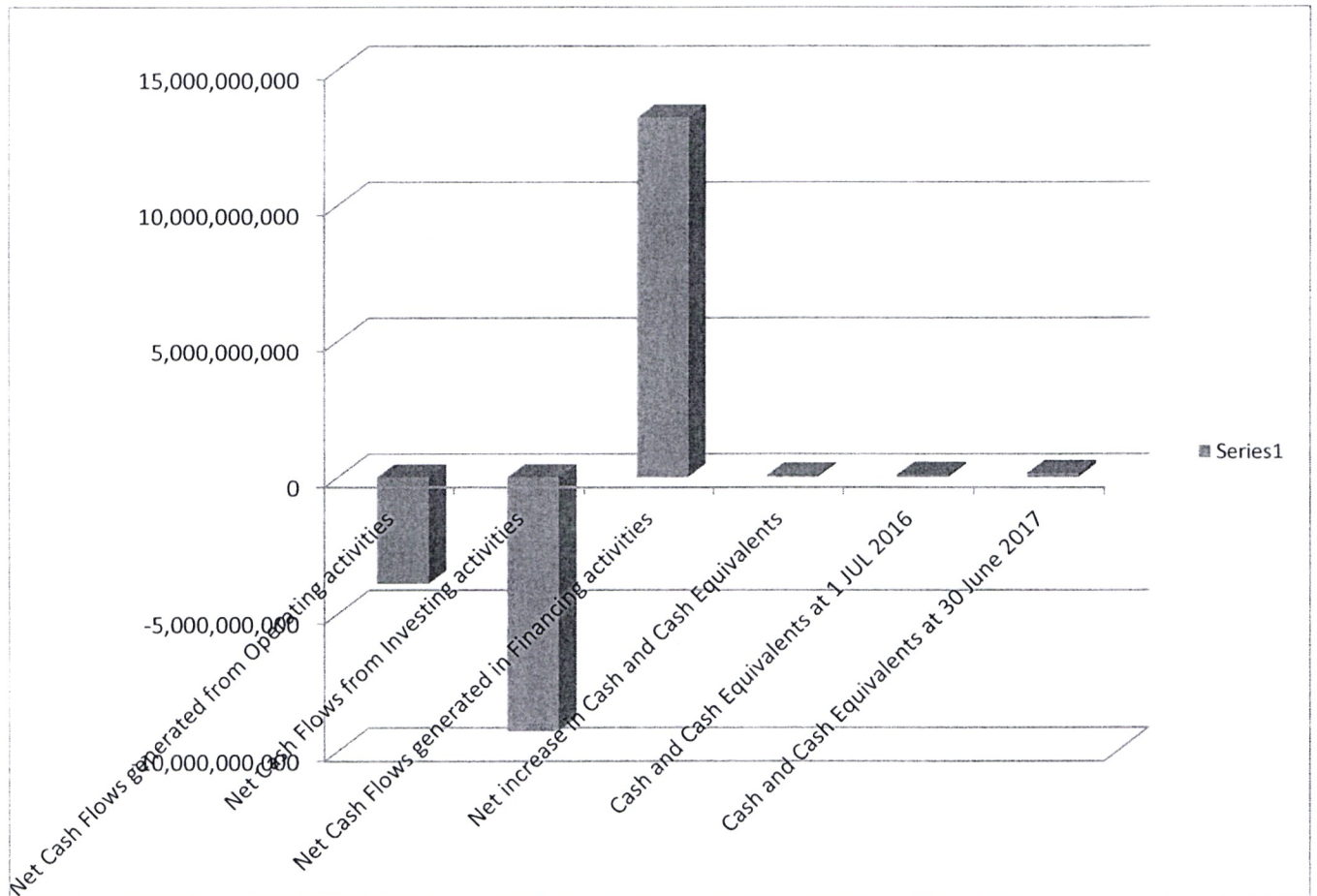
The table below summarizes cash flows generated and used from various activities

Cash Flow Activities	Year to 30 th June 2017	Year to 30 th June 2016	Change	%
	KShs	KShs	KShs	Change
Net Cash Flows generated from Operating activities	-3,911,730,145	12,409,278,204.00	-16,166,962,494	-131.52
Net Cash Flows from Investing activities	-9,274,808,802	-15,128,739,544.00	5,853,930,742.00	-38.7
Net Cash Flows generated in Financing activities	13,249,074,165	2,740,886,085.00	10,508,188,080.00	383.4
Net increase in Cash and Cash Equivalents	62,535,219	1,422,745.00	-41,158,473	192.13
Cash and Cash Equivalents at 1 July	89,550,695	68,127,950.00	21,422,745.00	31.4
Cash and Cash Equivalents at 30 June	152,131,913	89,550,695.00	62,581,218	-69.88

**MINISTRY OF WATER AND IRRIGATION,
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II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

CASH FLOW ACTIVITIES



**MINISTRY OF WATER AND IRRIGATION,
STATE DEPARTMENT FOR WATER SERVICES
Reports and Financial Statements
For the year ended June 30, 2017**

II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

Net cash flows utilised in investing activities decreased due to a decline in amounts utilised in the acquisition of assets by the State Department for Water Services. Net cash flows generated in financing activities decreased in the current year due to a decrease in proceeds from domestic and foreign borrowings received in the current year compared to prior year.

The decrease of cash flow from operating activities was due to the separation of the ministry into two state departments.

**MINISTRY OF WATER AND IRRIGATION,
STATE DEPARTMENT FOR WATER SERVICES
Reports and Financial Statements
For the year ended June 30, 2017**

Key Achievements of the State Department in the FY 2016/17

- i. Water Act 2016 was enacted and its implementation started.
- ii. National water supply access increased from 56.9% to 58.3%.
- iii. Hosted Annual water sector review conference.

Emerging issues

1. Transitional issues

Following the transfer of some functions from the sub sector to county governments; the status of the projects that were being undertaken by the national government and were at various stages of completion remains unknown as there are no guidelines on proper handover and source of funding.

2. Financing gap

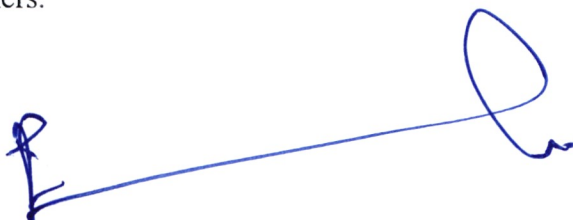
There was a challenge in raising funds to finance the planned projects. WSPs who are the major sources of revenue for the water boards operations have not kept their part on payment of lease fees. The counterpart funds required to implement the projects are also not adequate.

3. Water security

The extreme climatic changes pose a major risk on water security. This has resulted in regional imbalance with some parts of the country receiving a lot of water during rainy seasons and little or no water during dry periods, and others receiving none at all. The challenge is further compounded by flooding/acute drought that causes immense negative impact on both the social and economic fronts.

Implementation challenges

The water sub sector is faced with challenges which include; Destruction of water catchment areas, increased competition/conflicts in utilization of water resources, low sewerage coverage, pollution of water resources, poor solid waste, fecal sludge and waste management, inadequate infrastructure development for water storage and water scarcity among others.



**Hon. Eugene L. Wamalwa, EGH,
Cabinet Secretary, Ministry of Water & Irrigation**

**MINISTRY OF WATER AND IRRIGATION,
STATE DEPARTMENT FOR WATER SERVICES
Reports and Financial Statements
For the year ended June 30, 2017**

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.


The Accounting Officer in charge of the State Department for Water Services is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2017. 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 entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the State Department of for Water Services accepts responsibility for the entity'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 (IPSAS). The Accounting Officer is of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2017, and of the entity's financial position as at that date. The Accounting Officer charge of the State Department for Water Services further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

The entity's financial statements were approved and signed by the Accounting Officer on 29th September 2017.



**Principal Secretary
Prof. Fred H. K. Segor, CBS**



**Head of Accounting Unit
Peter N. Kabebe
ICPAK Member Number: 3845**



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR WATER SERVICES FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of State Department for Water set out on pages 1 to 28, which comprise the statement of financial assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amount for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the State Department for Water Services as at 30 June 2017, 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 requirements of the Public Finance Management Act, 2012.

In addition, as required by Article 229(6) of the Constitution, except for the matter described in the Basis for Qualified Opinion and Other Matter sections of my report, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1. Accuracy, Completeness and Presentation of the Financial Statements

The financial statements balances provided for audit for the year ended 30 June 2017 differ with balances in IFMIS. In addition, the statement of budget execution by programmes and sub programmes differs with the statement of receipts and payments and the statements of appropriation: recurrent and development. Further, the financial statements balances differ with the trial balance figures as detailed in the table below:

Differences Between Trial Balance/Ledger and Financial Statements

Item	Balance as per Financial Statements (Kshs.)	Balance as per Trial Balance (Kshs.)	Difference (Kshs.)
Transfers from National Treasury	22,816,057,602	-	22,816,057,602
Proceeds from Foreign Borrowing	13,249,074,165	-	13,249,074,165
Transfers to National Govt. Agencies	23,780,557,603	-	23,780,557,603
Recurrent Bank Account	17,127,624	218,904,487)	236,032,111
Development Bank Account	100,988,880	9,766,210,656	(9,665,221,776)
Deposits Bank Account	33,969,410	948,275	33,021,135
Cash in hand	45,999	154,542,687	(154,496,688)
Other Debtors and prepayments	-	(69,716,556)	69,716,556
Imprests	-	6,329,677	(6,329,677)
Clearance Accounts	2,542,880	9,239,131	(6,696,251)
Other Liabilities	-	464,356	(464,356)
System Required Liabilities	-	6,634,847,312	(6,634,847,312)
Provisions	-	1,100	(1,100)
Deposits	33,969,410	-	33,969,410
Fund Balance B/f	1,603,540,577	-	1,603,540,577

In view of the foregoing, the accuracy, completeness and presentation of the financial statements for the year ended 30 June 2017 could not be ascertained.

2. Unsupported Cash and Cash Equivalents Balances

The statement of assets and liabilities reflects a cash and cash equivalents balance of Kshs.152,131,913 as at 30 June 2017. However,

- i) The IFMIS Cashbook was not made available for audit verification despite it being in-built in the system.
- ii) Bank reconciliation statements for the Deposits Account (Dep-110 A/C No. 1000302127) were not provided for audit verification. The bank balance as per the report of the board of survey was Kshs.33,958,410 while the certificate of bank balance shows Kshs.33,969,410 leading to a difference of Kshs.11,000 as at 30 June 2017. Also, the bank statement was provided in support of the bank balance.
- iii) The reported bank balances under cash and cash equivalents in the financial statements for Recurrent and Development bank accounts were not supported by bank reconciliation statements as shown in the table below;

Account	Amount (Kshs.) in The Financial Statements	Amount (Kshs.) as Per Bank Reconciliation Statements	Variance Kshs.
Reccurent	17,127,624	132,611,243	(115,483,619)
Development	100,988,880	1,865,677,469	(1,764,688,589)
Deposit	33,969,410	Reconciliation statement was not provided	

Consequently, the accuracy of the cash and cash equivalents balance of Kshs.152,131,913 could not be confirmed.

3 Transfers to Other Government Units

3.1 Unexplained Variance

During the year under review, the State Department of Water Services disbursed as Transfer to Other Government Units Kshs.24,785,802,620 . However, the supporting schedule in annex 3 to the financial statements reflect total transfers of Kshs.21,118,936,857, while the ledger reflects a figure of Kshs.24,790,252,105 resulting to unreconciled difference of Kshs.3,666,865,763 and Kshs.4,449,485 respectively between the two sets of figures.

As a result, the accuracy and completeness of the Transfer of Other Government Units could not be ascertained.

3.2 Under-Disbursements

A review of the financial statements of some of the entities that received the disbursements reveals discrepancies between the figures received by the entities and those disbursed by the State Department as follows:

Entity	Amount as per Financial Statements Kshs.	Amount as per SDWS Kshs.	Difference Kshs.
Water Services Regulatory Board	90,000,000	75,000,000	15,000,000
Water Resources Management Authority	798,351,621	807,696,901	(9,345,280)
Kenya Water Institute	191,880,000	194,880,000	(3,000,000)
National Water Conservation and Pipeline Corporation	2,583,652,471	2,670,548,271	(86,895,800)
Kenya-Italy Debt for Development Programme	71,000,000	-	71,000,000

No reconciliations have been provided to explain the differences in the figures which normally should be similar. Consequently, the accuracy of disbursements could not be confirmed.

4. Acquisition of Assets

Annex 1 to the financial statements reflects a historical cost fixed assets balance of Kshs.24,403,548,346 as at 30 June 2017. Included in the Account of construction and Civil works is an amount of Kshs.12,242,604,423.65 which was supposed to be charged to transfers and to amounts incurred for other government entities. Also included are amounts with credit balances amounting to Ksh.215,711,544.85 indicated as an adjustment for errors. These adjustments are not explained and therefore it was not possible to ascertain what they relate to.

Consequently, it was not possible to establish the accuracy of the acquisition of assets figure

5. Improper Expenditure on Employees Seconded to NWCP

As reported in the previous year's Audit report, the State Department seconded 423 members of staff to National Water Conservation and Pipeline Corporation (NWCP) in various core operations, which include drilling, electro mechanical, land survey and water technology. Although the State Department has explained that the officers were seconded because the State Department had ceased to implement technical projects attached to Water Boards, it is not clear and the State Department has not explained why it continues to pay officers who are serving in a statutory body or why the officers cannot be officially be absorbed by the institution. This matter is still outstanding in the financial year under review.

In the circumstances, it has not been possible to ascertain the completeness, accuracy and propriety of compensation to employee's expenditure of Kshs.552,983,571.

6. Undisclosed Revenue

The summary statement of appropriation (combined) reflects that out of a budget of Kshs.2,322,088,239 for other revenue against actual collection of Kshs.1,962,500 resulting in an under collection of Kshs.2,320,125,835. The other receipts were budgeted under Appropriation –In- Aid (A-I-A) and were expected to be collected by various semi-autonomous Government institutions affiliated to the State Department for Water Services. These have not been included in the financial report, and the variance appropriately explained.

Consequently, it is not possible to ascertain the accuracy of revenue balances reported in the financial statements .

7. Motor Vehicles Register

The State Department for Water Services does not maintain a register of the motor vehicles. Lists provided for audit verification differed with one list shows 69 motor vehicles while the other indicated 74 vehicles. Review of the schedule provided contained motor vehicles belonging to Other Government Entities such as Ministry of Environment, and, the National Water Conservation and Pipeline Corporation.

In addition, only sixteen (16) motor vehicles log books were availed for ownership verification.

Consequently, the completeness, accuracy, ownership, location, utilization and security of the State Department's motor vehicles could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions(ISSAIs). I am independent of the State Department for Water Services in accordance with ISSAI 30 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.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. For each matter below, a description of how the audit addressed the matter is provided in that context.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements.

No.	Key Audit Matter	How the Audit Addressed the Key Audit Matter
	Use of Goods and Services	
	<p>This component is key for the delivery of the mandate of the State Department. What is achieved by expenditure on goods and services directly affects the key performance indicators of the State Department. Hence the process of incurring expenditure, the items on which the expenditure is incurred and the outcome of the expenditure should be within the budget/plan and in accordance with the laws and regulations.</p>	<p>In order to satisfy myself of the regularity and propriety of expenditure on use of goods and services, I performed the following procedures on a sample of payments:</p> <ul style="list-style-type: none"> • Verified that there was budgetary provision for the item and that a requisition was received/prepared by the user department/stores • Confirmed that suppliers were invited to tender and an appropriate supplier identified as per the Public Procurement and Asset Disposal Act, 2015. • Verified that a purchase order was prepared in accordance with the public procurement regulations and that all relevant supporting documents are attached to the payment voucher. • Trace the items received to the stores records; user sections and cross-checked the expenditure to the cash book and ledger

Other Matter

1. Public Participation in the Budget Preparation

Article 201(a) of The Constitution of Kenya requires that there should be openness and accountability, including public participation in financial matters. Further, Section 36 (3) (d) of the Public Finance Management Act, 2012 provides for public participation in the budget process. The State Department for Water Services has not availed evidence to confirm that the procedures for public participation were undertaken. Even though the State Department for Water Services explained that public participation process is a function of the National Treasury and invitation letters were received. No evidence has been availed to show that the deliberations at the public participation event were noted and included in the budget.

2. Weak Internal Controls

- a) The State Department does not have a risk management policy. There was no risk assessment carried out to identify and address key areas of concern and document specific controls in response to identified risks. There is no evidence that management assessed the internal controls applicable to address any material weaknesses that could be inherent in the controls.
- b) The State Department has no formal, documented and tested disaster recovery plan/emergency procedure in place and therefore in case of an emergency, the personnel involved might not be aware of what is expected of them. In addition, no evidence was availed of the existence of information back up and retention strategy
- c) There is no IT strategic committee and plan, IT steering committee and security policy in place to guide use of IT in the State Department
- d) There was no audit committee in place as required by regulations
- e) The code of conduct for staff has not been developed and implemented

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Department's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Department or to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the Department's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify

my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Department to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

From the matters communicated with management, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. These matters are described in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL


Nairobi


6 April 2018

MINISTRY WATER AND IRRIGATION
STATE DEPARTMENT FOR WATER SERVICES
Reports and Financial Statements
For the year ended June 30, 2017
IV) STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017	2015-2016
		KShs	KShs
RECEIPTS			
Proceeds from Domestic and Foreign Grants	1	91,963,910	664,651,428
Transfers from National Treasury	2	22,816,057,602	16,607,435,406
Proceeds from Foreign Borrowings	3	13,249,074,165	2,740,884,085
Other Revenues	4	1,962,500	499,585,339
TOTAL RECEIPTS		36,159,058,177	20,512,556,258
PAYMENTS			
Compensation of Employees	5	552,983,571	623,899,166
Use of goods and services	6	323,996,906	309,016,187
Transfers to Other Government Units	7	24,785,802,620	4,346,150,732
Other grants and transfers	8	1,100,760,895	3,338,082
Acquisition of Assets	9	9,274,808,802	15,128,739,544
TOTAL PAYMENTS		36,038,352,794	20,411,143,711
SURPLUS/DEFICIT		120,705,383	101,412,547

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29th September 2017 and signed by:


 Principal Secretary
 Prof. Fred H. K. Segor, CBS



 Head of Accounting Unit
 Peter N. Kabebe
 ICPAK Member Number: 3845


MINISTRY OF WATER AND IRRIGATION,
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V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2016-2017	2015-2016
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10A	152,085,914	89,550,695
Cash Balances	10B	45,999	-
Total Cash And Cash Equivalents		152,131,913	89,550,695
Accounts Receivables - Outstanding Imprest and Clearance Accounts	11	2,542,880	1,586,727,901
TOTAL FINANCIAL ASSETS		154,674,793	1,676,278,596
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	12	33,969,410	72,738,019
NET FINANCIAL ASSETS		120,705,383	1,603,540,577
REPRESENTED BY			
Fund balance b/fwd	13	1,603,540,577	1,502,128,030
Prior year adjustments	14	-1,603,540,577	-
Surplus/Deficit for the year		120,705,383	101,412,547
NET FINANCIAL POSSITION		120,705,383	1,603,540,577

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29th September 2017 and signed by:


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**MINISTRY OF WATER AND IRRIGATION,
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VI. STATEMENT OF CASHFLOWS

	Note	2016-2017	2015-2016
		KShs	KShs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Proceeds from Domestic and Foreign Grants	1	91,963,910	664,651,428
Transfers from National Treasury	2	22,816,057,602	16,607,435,406
Other Revenues	4	1,962,500	499,585,339
		22,909,984,012	17,771,672,173
Payments for operating expenses			
Compensation of Employees	5	552,983,571	623,899,166
Use of goods and services	6	323,996,906	309,016,187
Transfers to Other Government Units	7	24,785,802,620	4,346,150,732
Other grants and transfers	8	1,100,760,895	3,338,082
		26,763,543,992	5,282,404,167
Adjusted for:			
Changes in receivables		1,584,185,021	-94,376,108
Changes in payables		-38,768,609	14,386,306
Adjustments during the year		-1,603,540,577	-
Net cash flow from operating activities		-3,911,684,145	12,409,278,204
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	9	(9,274,808,802)	(15,128,739,544)
Net cash flows from Investing Activities		(9,274,808,802)	(15,128,739,544)

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CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	3	13,249,074,165	2,740,884,085
Net cash flow from financing activities		13,249,074,165	2,740,884,085
NET INCREASE IN CASH AND CASH EQUIVALENT		62,581,218	21,422,745
Cash and cash equivalent at BEGINNING of the year		89,550,695	68,127,950
Cash and cash equivalent at END of the year		152,131,913	89,550,695

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29th September 2017 and signed by:



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**MINISTRY WATER AND IRRIGATION
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VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c-%
RECEIPTS						
Proceeds from Domestic and Foreign Grants	1,515,652,000	(723,869,000)	791,783,000	91,963,910	699,819,090	12%
Exchequer releases	12,625,833,410	11,744,309,852	24,370,143,262	22,816,057,602	1,554,085,660	94%
Proceeds from Foreign Borrowings	26,951,420,000	(5,543,650,000)	21,407,770,000	13,249,074,165	8,158,695,835	62%
Proceeds from Sale of Assets	120,000	0	120,000	0	120,000	0%
Other Receipts	2,137,638,239	184,450,000	2,322,088,239	1,962,500	2,320,125,739	0%
Total Receipts	43,230,663,649	5,661,240,852	48,891,904,501	36,159,058,177	12,732,846,324	76%
Payments						
Compensation of Employees	617,131,737	(32,505,279)	584,626,458	552,983,571	31,642,887	95%
Use of goods and services	164,570,184	183,190,940	347,761,124	323,996,906	23,764,218	92%
Transfers to Other Government Units	24,880,202,000	9,977,141,448	34,857,343,448	24,785,802,620	10,071,540,828	70%
Other grants and transfers	4,450,000	1,096,674,183	1,101,124,183	1,100,760,895	363,288	100%
Acquisition of Assets	17,564,309,728	(5,563,260,440)	12,001,049,288	9,274,808,802	2,726,240,486	84%
Grand Total	43,230,663,649	(5,661,240,852)	48,891,904,501	36,038,352,794	12,853,551,707	74%

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VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED (CONTINUED)

Notes

- i. Under collection in Proceeds from domestic and foreign grants of 88% was a result of late exchequer request by the project implementation units.
- ii. Underutilization of proceeds from foreign borrowings of 38% was a result of slow implementation of programs managed by various SAGAs under the ministry.
- iii. Underutilisation in transfer to other government units of 29% was a result of lack of exchequer provision.
- iv. Underutilisation in acquisition of assets of 23% was a result of slow implementation of programs caused by lengthy procurement procedures.

The entity financial statements were approved on _29th September_ 2017 and signed by:



Principal Secretary
Prof. Fred H. K. Segor, CBS



Head of Accounting Unit
Peter N. Kabebe
ICPAK Member Number: 3845

**MINISTRY OF WATER AND IRRIGATION,
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VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Proceeds from Domestic and Foreign Grants		0	0	0	0	0%
Exchequer releases	1,486,833,410	877,775,721	2,364,609,131	2,355,300,000	9,309,131	164%
Proceeds from Sale of Assets	120,000	0	120,000	0	120,000	0%
Other Receipts	2,137,638,239	184,450,000	2,322,088,239	1,962,500	2,320,125,739	0%
Total Receipts	3,624,591,649	1,062,225,721	4,686,817,370	2,357,262,500	2,329,554,870	83%
PAYMENTS						
Compensation of Employees	617,131,737	(32,505,279)	584,626,458	552,983,571	31,642,887	95%
Use of goods and services	164,570,184	72,544,742	237,114,926	227,376,941	9,737,985	94%
Transfers to Other Government Units	2,830,650,000	500,850,000	3,331,500,000	1,005,245,017	2,326,254,983	30%
Other grants and transfers	4,450,000	522,000,000	526,450,000	526,186,108	263,892	100%
Acquisition of Assets	7,789,728	(663,742)	7,125,986	18,676,535	(11,550,549)	262%
Grand Total	3,624,591,649	1,062,225,721	4,686,817,370	2,330,468,173	2,356,349,198	50%

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SUMMARY STATEMENT OF APPROPRIATION: RECURRENT (CONTINUED)

Notes

- i. Underutilisation on transfer to other government units of 70% was as a result of budget put in acquisition of assets item.
- ii. Over Utilisation of 162% in acquisition of assets as a result of grants to SAGAs allocated in this item.

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**MINISTRY OF WATER AND IRRIGATION,
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IX. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget a.	Adjustments b.	Final Budget c=a+b.	Actual on Comparable Basis d.	Budget Utilization Difference e=c-d.	% of Utilization f=d/c %
RECEIPTS						
Proceeds from Domestic and Foreign Grants	1,515,652,000	(723,869,000)	791,783,000	91,963,910	699,819,090	12%
Exchequer releases	11,139,000,000	10,866,534,131	22,005,534,131	20,460,757,602	3,060,474,149	86%
Proceeds from Foreign Borrowings	26,951,420,000	(5,543,650,000)	21,407,770,000	13,249,074,165	8,158,695,835	62%
Total Receipts	39,606,072,000	4,599,015,131	44,205,087,131	33,801,795,677	10,403,291,454	73%
Payments						
Compensation of Employees	0	0	0	0	0	0%
Use of goods and services	0	110,646,198	110,646,198	96,619,965	14,026,234	87%
Transfers to Other Government Units	22,049,552,000	9,476,291,448	31,525,843,448	23,780,557,603	7,745,285,845	74%
Other grants and transfers	0	574,674,183	574,674,183	574,574,787	99,396	100%
Acquisition of Assets	17,556,520,000	(5,562,596,698)	11,993,923,302	9,256,132,267	2,737,791,035	84%
Grand Total	39,606,072,000	4,599,015,131	44,205,087,131	33,707,884,622	10,497,202,509	77%

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XI. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT (CONTINUED)

Notes

- I. Underutilisation in Proceeds from domestic borrowings of 88% was a result of late exchequer request by the project implementation units.
- II. Underutilization of proceeds from foreign borrowings of 37% was a result of slow implementation of programs managed by various SAGAs under the ministry
- III. Underutilization under use of goods and services of 13% was a result of slow implementation of programs caused by lengthy procurement procedures.
- IV. Underutilisation in transfer to other government units of 26% was a result of late release of exchequer
- V. Underutilisation in acquisition of assets of 12% was a result of slow implementation of programs caused by lengthy procurement procedures.

The entity financial statements were approved on _29th September_ 2017 and signed by:



**Principal Secretary
Prof. Fred H. K. Segor, CBS**



**Head of Accounting Unit
Peter N. Kabebe
ICPAK Member Number: 3845**

**MINISTRY OF WATER AND IRRIGATION,
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XII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2016/17	Adjustments	Final Budget 2016/17	Actual on comparable basis 2016/17	Budget utilization difference
General administration ,planning and support services	892,374,828	0.00	892374,828	854,303,447	38,071,380
Water Resource Management	47,999,529,673	0.00	47,999,529,673	35,184,061,546	12,815,468,126
TOTAL	48,891,904,501		48,891,904,501	36,038,364,993	12,853,539,508

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based.)

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X. SIGNIFICANT ACCOUNTING POLICIES

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

1. 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 notes 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 receivables and payables are disclosed in the Statement of Assets and Liabilities. The Statement of Assets and Liabilities is not mandatory statement under the IPSAS Cash basis but is encouraged in order to disclose information on assets and liabilities.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for State Department for Water Services. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the entity:

- I. Kenya Water Security and Climate Resilience Project
- II. Upper Tana Natural Resources Management Project
- III. Coast Water Security and Climate Resilience Project
- IV. Kenya Italy Debt for Development Program

3. Recognition of receipts and payments

a) Recognition of receipts

The Entity recognizes all receipts from the various sources when the event occurs and the related cash has actually been received by the entity.

Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

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XII SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transfers from the Exchequer

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

External Assistance

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

Donations and grants

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

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the Entity may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2017, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

The entity recognizes all expenses when the event occurs and the related cash has actually been paid out by the entity.

Compensation of employees

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

**MINISTRY OF WATER AND IRRIGATION,
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XII SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of goods and services

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

Interest on borrowing

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

Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

Acquisition of fixed assets

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

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

4. In-kind contributions

In-kind contributions are donations that are made to the State Department 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 State Department includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

5. 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.

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XII SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 party deposits. There were no other restrictions on cash during the year

6. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are 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.

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XIII NOTES TO THE FINANCIAL STATEMENTS

1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

The following grants were received from development partners through the exchequer.

Name of Donor	Date received	2016-2017	2015-2016
		KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)	30/6/2017	41,191,565	664,651,428
Grants Received from Multilateral Donors (International Organisations)	30/6/2017	50,772,345	-
TOTAL		91,963,910	664,651,428

The above grants were used in the implementation of development programs.

2 TRANSFERS FROM NATIONAL TREASURY

The following are the amounts transferred from the exchequer to the ministry on a quarterly basis:

Description	2016-2017	2015-2016
	Kshs	Kshs
Total Exchequer Releases for quarter 1	447,819,421	1,434,515,455
Total Exchequer Releases for quarter 2	6,720,272,442	2,207,075,380
Total Exchequer Releases for quarter 3	4,283,371,791	4,576,145,581
Total Exchequer Releases for quarter 4	11,364,593,948	8,389,698,990
Total	22,816,057,602	16,607,435,406

During the year the ministry was to receive KShs. 22,816,057,602 which was received in full.

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XIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 PROCEEDS FROM FOREIGN BORROWINGS

These represent borrowings that are received from outside the country.

Description	2016-2017	2015-2016
	Kshs	Kshs
Foreign Borrowing – Draw-downs Through Exchequer		2,740,884,085
Foreign Borrowing - Direct Payments	13,249,074,165	
Foreign Currency and Foreign Deposits		
Total	13,249,074,165	2,740,884,085

4 OTHER RECEIPTS

Description	2016-2017	2015-2016
	Kshs	Kshs
Receipts from Administrative Fees and Charges		
Receipts from Administrative Fees and Charges - Collected as AIA		
Receipts from Incidental Sales by Non-Market Establishments		
Receipts from Sales by Non-Market Establishments		497,343,239
Receipts from Sale of Incidental Goods	1,962,500	2,242,100
Fines Penalties and Forfeitures		
Receipts from Voluntary transfers other than grants		
Other Receipts Not Classified Elsewhere		
Total	1,962,500	499,585,339

Other receipts not classified elsewhere relates to sale of tenders during the procurement process.

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XIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 COMPENSATION OF EMPLOYEES

Compensation of employees comprise of remuneration paid to employees in return for the work done. It includes sound contributions made by the State Department on behalf of its employees.

Description	2016-2017	2015-2016
	Kshs	Kshs
Basic salaries of permanent employees	346,692,365	408,924,092
Basic wages of temporary employees		
Personal allowances paid as part of salary	206,291,206	214,975,074
Personal allowances paid as reimbursements		
Employer Contributions Compulsory national health insurance schemes		
Total	552,983,571	623,899,166

6 USE OF GOODS AND SERVICES

These comprise the total value of goods and services consumed.

Description	2016-2017	2015-2016
	Kshs	Kshs
Utilities, supplies and services	9,357,495	20,068,503
Communication, supplies and services	8,371,666	13,863,267
Domestic travel and subsistence	46,445,139	27,568,800
Foreign travel and subsistence	21,388,358	5,985,879
Printing, advertising and information supplies & services	1,462,576	1,816,350
Rentals of produced assets	172,000	42,089,820
Training expenses	9,740,659	9,025,019
Hospitality supplies and services	2,234,199	4,984,780
Insurance costs		
Specialized materials and services	96,783,912	34,596,459
Office and general supplies and services	53,340,005	12,299,337
Other operating expenses	41,486,614	110,192,116
Routine maintenance -vehicles and other transport equipment	10,925,186	6,716,360
Routine maintenance – other assets	11,208,676	12,347,570
Fuel oil and lubricants	11,080,422	7,461,927
Exchange Rate Losses		
Total	323,996,906	309,016,187

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XIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 TRANSFERS TO OTHER GOVERNMENT ENTITIES

These amounts transferred to Other Government entities.

Description	2016-2017	2015-2016
	Kshs	Kshs
Transfers to National Government entities		80,000,000
Transfers to National Government agencies-Current	1,005,245,017	1,543,322,240
Transfers to National Government agencies-Capital	23,780,557,603	2,719,408,182
Other capital grants and transfers		3,420,310
TOTAL	24,785,802,620	4,346,150,732

The above transfers were made to the following self-reporting entities in the year:

1. Athi Water Services Board
2. Coast Water Services Board
3. Lake Victoria North Water Services Board
4. Lake Victoria South Water Services Board
5. Kenya Water Institute
6. Rift Valley Water Services Board
7. Tana Water Services Board
8. TANATHI Water Services Board
9. National Water Conservation & Pipeline Corporation
10. Water Resources Management Authority
11. Water Service Trust Fund
12. Water Services Regulatory Board
13. Northern Water Services Board
14. Regional Centre on Ground Water Resource Education Training and Research
15. Upper Tana Catchment Natural Resources Management
16. Kenya Water Security and Climate Resilience Project

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to this financial statement.

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XIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 OTHER GRANTS AND TRANSFERS

Description	2016-2017	2015-2016
	Kshs	Kshs
Membership dues and subscriptions to international organizations	4,449,485	3,338,082
Emergency Relief And Refugee Assistance	1,096,311,410	
Total	1,100,760,895	3,338,082

9 ACQUISITION OF ASSETS

These represent payments made to acquire property, plant and equipment during the year; which have been fully expended in the year of purchase in line with the accounting policies.

Non-Financial Assets	2016-2017	2015-2016
	KShs	KShs
Refurbishment of Buildings		54,000,000
Construction of Roads		194,400
Construction and Civil Works	9,215,043,556	
Overhaul and Refurbishment of Construction and Civil Works		14,387,161,296
Purchase of Household Furniture and Institutional Equipment	486,900	344,000
Purchase of Office Furniture and General Equipment		19,486
Rehabilitation and Renovation of Plant, Machinery and Equip.	5,856,795	9,287,689
Rehabilitation of Civil Works	53,421,551	
Total	9,274,808,802	15,128,739,544

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XIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	2016-2017	2015-2016
			Kshs	Kshs
Central Bank of Kenya, 1000210068	KSH	RECCURENT	17,127,624	2,430,299
Central Bank of Kenya, 1000209917	KSH	DEVELOPMENT	100,988,880	14,382,377
Central Bank of Kenya, 1000212586	KSH	DEPOSIT	33,969,410	72,738,019
Total			152,085,914	89,550,695

10B: CASH IN HAND

	2016-2017	2015-2016
	Kshs	Kshs
Cash in Hand – Held in domestic currency	45,999	-
TOTAL	45,999	-

Cash in hand should also be analysed as follows:

	2016-2017	2015-2016
	Kshs	Kshs
Cash in Hand – Held in domestic currency	45,999	
	45,999	

Cash count certificates for the above amount has been provided as an attachments to the financial statement.

MINISTRY OF WATER AND IRRIGATION,
STATE DEPARTMENT FOR WATER SERVICES
Reports and Financial Statements
For the year ended June 30, 2017

XIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2016-2017	2015-2016
	Kshs	Kshs
Government Imprests		7,071,617
Salary advances		671,206
District suspense		1,204,385,626
Clearance accounts	2,542,880	374,599,452
Total	2,542,880	1,586,727,901

Accounts Receivable comprise of unpaid salary deductions for financial year 2016-2017 as shown below:

Rafiki Microfinance	53,100.00
Premier Kenya Ltd	4,831.00
Bank of Africa	10,225.00
Select Management	34,236.00
Department of Housing	332,050.00
Paymaster General (WCPS)	1,101,251.35
Wajir Welfare	2,000.00
Mazingira Welfare	533,253.40
MOW sports welfare	78,720.00
African capital	78,635.00
Family Bank	31,634.35
Civil Servants housing scheme	338,770.00
Metropolitan Life Kenya	2,104.90
TOTAL	2,542,880.00

12. ACCOUNTS PAYABLE

Description	2016-2017	2015-2016
	Kshs	Kshs
Deposits	33,969,410	72,738,019
Total	33,969,410	72,738,019

These are retention money that is 10% retained by the State Department on behalf of third parties that offer services to the State Department.

MINISTRY WATER AND IRRIGATION
STATE DEPARTMENT FOR WATER SERVICES
Reports and Financial Statements
For the year ended June 30, 2017

XIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. FUND BALANCE BROUGHT FORWARD

Description	2016-2017	2015-2016
	Kshs	Kshs
Bank accounts	89,550,695	68,045,129
Cash in hand	-	82,821
Receivables - Outstanding Imprests	1,586,727,901	1,492,351,793
Payables - Deposits	(72,738,019)	(58,351,713)
	1,603,540,577	1,502,128,030

These are the fund balances that were brought forward from FY 2015/16. The bank balances were however taken back by exchequer as shown in note 26

14. PRIOR YEAR ADJUSTMENTS

Description of the error	2016 – 2017	2015 – 2016
	Kshs	Kshs
Adjustments on bank account balances		
Adjustments on cash in hand		
Adjustments on payables		
Adjustments on receivables	(1,586,727,901)	
Others (specify)	(16,812,676)	
	(1,603,540,577)	0

The prior year adjustments relate to bank balances that were swept back to exchequer at the beginning of the year of Ksh 16,812,676 from both recurrent and development.

These adjustments affect the Statement of Assets as they result into the reduction of the fund balance brought forward.

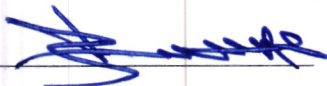
XIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS


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

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



Principal Secretary
Name: Prof. Fred H. K. Segor, CBS



Head of Accounting Unit
Peter N. Kabebe
CPAK Member Number: 3845

MINISTRY OF WATER AND IRRIGATION
STATE DEPARTMENT FOR WATER SERVICES
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2015/2016	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2016/2017
Refurbishment of Buildings	54,000,000			54,000,000
Construction of Roads	194,400			194,400
Construction and Civil Works		9,215,043,556		9,215,043,556
Overhaul and Refurbishment of Construction and Civil Works	14,387,161,296			14,387,161,296
Purchase of Household Furniture and Institutional Equipment	344,000	486,900		830,900
Purchase of Office Furniture and General Equipment	19,486			19,486
Rehabilitation and Renovation of Plant, Machinery and Equip.	9,287,689	5,856,795		15,144,484
Rehabilitation of Civil Works		53,421,551		53,421,551
Total	15,128,739,544	9,274,808,802		24,403,548,346

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year should tie to note 9 on acquisition of assets during the year.

**MINISTRY OF WATER AND IRRIGATION,
STATE DEPARTMENT FOR WATER SERVICES**
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 2 – LIST OF PROJECTS IMPLEMENTED BY THE STATE DEPARTMENT FOR WATER SERVICES

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1	KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT UPPER TANA NATURAL RESOURCES MANAGEMENT PROJECT	Construction of dams	PROJECT MANAGER	NO
2	COAST WATER SECURITY AND CLIMATE RESILIENCE PROJECT	Management of Natural Resources	PROJECT MANAGER PROJECT MANAGER	NO
3	KENYA ITALY DEBT FOR DEVELOPMENT PROGRAM	Construction of dams	PROJECT MANAGER	NO
4		Construction of water supply projects	PROJECT MANAGER	NO

**MINISTRY OF WATER AND IRRIGATION,
STATE DEPARTMENT FOR WATER SERVICES**
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 3 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE STATE DEPARTMENT FOR WATER SERVICES

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	Lake Victoria South Water Services Board		CEO	583,805,339.00	YES
2	Tanathi Water Services Board		CEO	741,680,722.50	YES
3	Water Resource Management Authority		CEO	807,696,901.35	YES
4	Athi Water Services Board		CEO	7,186,850,069.00	YES
5	Northern Water Services Board		CEO	502,963,890.70	YES
6	Rift Valley Water Services Board		CEO	1,260,804,232.00	YES
7	Water Services Trust Fund		CEO	992,858,367.50	YES
8	Upper Tana Catchment Natural Resources Management		CEO	760,257,430.30	YES
9	Kenya Water Security and Climate Resilience Project		CEO	1,006,288,632.90	YES
10	National Water Conservation Pipeline Corporation		CEO	2,670,548,271.00	YES
11	Kenya Water Institute		CEO	194,880,000.00	YES
12	Water Services Regulatory Board		CEO	15,000,000.00	YES
13	Coast Water Services Board		CEO	2,307,320,790.00	YES
14	Tana Water Services Board		CEO	1,002,708,211.00	YES
15	Lake Victoria North Water Services Board		CEO	1,068,874,000.00	YES
16	Regional Centre on Ground Water Resource Education Training and Research		CEO	16,400,000.00	YES
	TOTAL			21,118,936,857.25	

**MINISTRY OF WATER AND IRRIGATION,
STATE DEPARTMENT FOR WATER SERVICES
Reports and Financial Statements
For the year ended June 30, 2017**

ANNEX 4- REPORTS GENERATED FROM IFMIS

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes

Annex 4/(i)



Trial Balance
 Entity: 1103-STATE DEPARTMENT FOR WATER SERVICES
 Current Period: JUL-16 To JUN-17
 Compare With: JUL-15 To ADJ2-16

Account No and Description	Current Period		Previous period	
	Debit Kshs	Credit Kshs	Debit Kshs	Credit Kshs
1310200 Grants from Foreign Govts. - Direct Payments treated as AIA	0.00	58,794,804.30	0.00	0.00
1310000 Grants from Foreign Governments	0.00	58,794,804.30	0.00	0.00
1320100 Grants from International Organizations - Cash through Exchequer	0.00	33,169,105.70	0.00	0.00
1320000 Grants from International Organisations	0.00	33,169,105.70	0.00	0.00
1420500 Incidental Sales by Non-Market Establishments Collected as AIA	0.00	0.00	0.00	0.00
1420600 Receipts from Sale of Incidental Goods	0.00	1,962,500.00	0.00	0.00
1420000 Sales of Goods and Services	0.00	1,962,500.00	0.00	0.00
2110100 Basic Salaries - Permanent Employees	345,692,365.00	0.00	0.00	59,394.70
2110300 Personal Allowances paid as part of Salary	206,647,395.00	356,189.45	0.00	0.00
2110000 Wages and Salary Contributions	553,339,761.00	356,189.45	0.00	59,394.70
2210100 Utilities, Supplies and Services	9,357,494.70	0.00	0.00	0.00
2210200 Communication, Supplies and Services	8,371,655.70	0.00	0.00	0.00
2210300 Domestic Travel and Subsistence, and Other Transportation Costs	46,445,139.20	0.00	0.00	0.00
2210400 Foreign Travel and Subsistence, and other transportation costs	21,388,358.00	0.00	0.00	0.00
2210500 Printing, Advertising and Information Supplies and Services	1,462,576.00	0.00	0.00	0.00
2210600 Rentals of Produced Assets	172,000.00	0.00	0.00	0.00
2210700 Training Expenses	9,740,659.00	0.00	0.00	0.00
2210800 Hospitality Supplies and Services	2,234,199.00	0.00	0.00	0.00
2211000 Specialised Materials and Supplies	96,783,912.00	0.00	0.00	0.00
2211100 Office and General Supplies and Services	53,340,005.00	0.00	0.00	0.00
2211200 Fuel Oil and Lubricants	11,030,421.80	0.00	0.00	0.00
2211300 Other Operating Expenses	41,486,614.00	0.00	0.00	0.00
2210000 Goods and Services	301,863,044.00	0.00	0.00	0.00
2220100 Routine Maintenance - Vehicles	10,925,185.60	0.00	0.00	0.00
2220200 Routine Maintenance - Other Assets	11,208,675.80	0.00	0.00	0.00
2220000 Routine Maintenance	22,133,861.30	0.00	0.00	0.00
2620200 Membership Fees and Dues and Subscriptions to International Organizations (Continued)	4,449,485.00	0.00	0.00	0.00
2620000 Grants and Other Transfers to International Organizations	4,449,485.00	0.00	0.00	0.00
2630100 Current Grants to Government Agencies and other Levels of Government	1,005,245,017.00	0.00	0.00	0.00
2630200 Capital Grants to Government Agencies and other Levels of Government	0.00	0.00	0.00
2630000 Grants & Transfer To Other Govt. Units	0.00	0.00	0.00
2640200 Emergency Relief and Refugee Assistance	1,096,311,410.00	0.00	0.00	0.00
2640000 Other Transfers and Emergency Relief	1,096,311,410.00	0.00	0.00	0.00
3110500 Construction and Civil Works	9,215,043,558.00	0.00	0.00	0.00
3110800 Overhaul of Vehicles and Other Transport Equipment	486,900.00	0.00	0.00	0.00
3111100 Purchase of Specialised Plant, Equipment and Machinery	5,856,795.00	0.00	0.00	0.00
3111500 Rehabilitation of Civil Works	53,421,551.00	0.00	0.00	0.00

Account No and Description	Current Period		Previous period	
	Debit	Credit	Debit	Credit
3110000 Acquisition of Fixed Capital Assets	9,274,808,802.00	0.00	0.00	0.00
5120200 Foreign Borrowing-Direct Payments	0.00	*****	0.00	0.00
5120000 Currency and Deposits, Accounts Payable, Clearing Transfers and Other Liabilities	0.00	*****	0.00	0.00
6530100 Recurrent Bank Accounts	0.00	218,904,487.00	0.00	0.00
6530000 Recurrent Bank Accounts	0.00	218,904,487.00	0.00	0.00
6540100 Development Bank Accounts	9,766,210,656.00	0.00	0.00	0.00
6540000 Development Bank Accounts	9,766,210,656.00	0.00	0.00	0.00
6550100 Deposit Bank Accounts	948,275.00	0.00	0.00	0.00
6550000 Deposit Bank Account	948,275.00	0.00	0.00	0.00
6580100 Cash in Hand	154,542,687.00	0.00	0.00	0.00
6580000 Cash in Hand	154,542,687.00	0.00	0.00	0.00
6710100 Debtors & Advances - Employees	0.00	0.00	0.00	0.00
6710000 Domestic Debtors & Advances	0.00	0.00	0.00	0.00
6740100 Other Debtors & Pre-payments	0.00	6,971,655.60	0.00	0.00
6740000 Other Debtors & Pre-payments	0.00	6,971,655.60	0.00	0.00
6760100 Imprests	120,000.00	6,449,677.25	0.00	0.00
6760000 Government Imprests	120,000.00	6,449,677.25	0.00	0.00
6780100 Suspense & Clearance Account	9,239,131.15	0.00	0.00	0.00
6780000 Suspense & Clearance Account	9,239,131.15	0.00	0.00	0.00
7320000 Other Liabilities	0.00	7,605.30	0.00	7,605.30
7320100 Salary Deductions	12,397,820.60	11,925,859.80	11,992,859.75	11,925,859.75
7320200 Other General Liabilities	0.00	0.00	0.00	0.00
7320000 Other Liabilities	12,397,820.60	11,933,465.10	11,992,859.75	11,933,465.05
7380100	0.00	0.00	0.00	0.00
7380000 Withholding Taxes	0.00	0.00	0.00	0.00
7390100 System Required Liabilities	6,634,847,312.00	0.00	0.00	0.00
7399900	0.00	*****	0.00	0.00
7390000 System Required Liabilities A/cs	6,634,847,312.00	*****	0.00	0.00
9910100 General Provisions	1,100.00	0.00	0.00	0.00
9910200 Exchequer Provisions	0.00	*****	0.00	0.00
9910000 Provisions	1,100.00	*****	0.00	0.00
9999900	0.00	0.00	0.00	0.00
9990000 Opening Balance Reserves	0.00	0.00	0.00	0.00
Total	52,604,546,916.50	52,604,546,916.50	52,604,554,521.80	52,604,554,521.80

The Statement has been prepared, reviewed and approved by the following:


Prepared By: _____ Date: _____
Reviewed By: _____ Date: _____
Approved By: _____ Date: _____


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
REPUBLIC OF KENYA
BANK RECONCILIATION
 STATE DEPARTMENT FOR WATER SERVICES

From Date : 01-JUL-16 To : 29-JUL-17 DEV-STATE DEPT FOR WATER SERVICES
 Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000302119

	Balance as per bank certificate	101,965,128.30
Less --		
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)		
2. Receipts in Bank Statement not yet recorded in Cash Book		
Add --		
3. Payment in Bank Statement not yet recorded in Cash Book		0.00
4. Receipts in Cash Book not yet Recorded in Bank Statement		
Bank Balance as per Cash Book		101,965,128.30

Reconciled by: WILSON LAMBETE Signature:  Date: 30/8/2017

Reviewed by: Wycliffe Ojwang Signature:  Date: 30/8/2017

Approved by: PETOL LASEGE Signature:  Date: 31/8/17

F.O. 30

BANK RECONCILIATION
STATE DEPARTMENT FOR WATER SERVICES

From Date : 01-JUL-16 To : 20-JUL-17

DEV-STATE DEPT FOR WATER SERVICES

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000302119

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

Cheque		Payee	Amount
No	Date		
Total			

2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

Receipts		Amount
No	Date	
Total		

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

Cheque		Amount
No	Date	
FT1632711H6N	22-NOV-16	0.00
FT163308RVNK	25-NOV-16	0.00
Total		0.00

4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT

Receipts		Amount
No	Date	
FT17083XOVSQ	24-MAR-17	
Total		

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REPUBLIC OF KENYA

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BANK RECONCILIATION

STATE DEPARTMENT FOR WATER SERVICES

From Date : 01-JUL-16 To : 30-JUN-17

DEV-STATE DEPT FOR WATER SERVICES

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000302119

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)			
Cheque		Payee	Amount
No	Date		
Total			
2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK			
Receipts		Amount	
No	Date		
Total			
3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK			
Cheque		Amount	
No	Date		
FT1632711H6N	22-NOV-16	0.00	
FT163308RVNK	25-NOV-16	0.00	
Total		0.00	
4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT			
Receipts		Amount	
No	Date		
FT17083XOVSQ	24-MAR-17		

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REPUBLIC OF KENYA

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BANK RECONCILIATION
STATE DEPARTMENT FOR WATER SERVICES

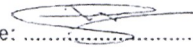
From Date : 01-JUL-16 To : 30-JUN-17

DEV-STATE DEPT FOR WATER SERVICES

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000302119

Balance as per bank certificate	1,865,677,468.75
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	0.00
4. Receipts in Cash Book not yet Recorded in Bank Statement	
Bank Balance as per Cash Book	1,865,677,468.75

Reconciled by: Wilson Lumbete Signature:  Date: 30/8/2017

Reviewed by: Waceji Ojuku Signature:  Date: 30/8/2017

F.O. 30


REPUBLIC OF KENYA
BANK RECONCILIATION
STATE DEPARTMENT FOR WATER SERVICES


From Date : 01-JUL-16 To : 30-JUN-17


REC-STATE DEPT FOR WATER SERVICES

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000302097

	Balance as per bank certificate	132,611,243.35
Less --		
	1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	
	2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --		
	3. Payment in Bank Statement not yet recorded in Cash Book	
	4. Receipts in Cash Book not yet Recorded in Bank Statement	0.00
	Bank Balance as per Cash Book	132,611,243.35

Reconciled by: WILSON LAMBETE Signature:  Date: 30/8/2017

Reviewed by: Mwajuma Othman Signature:  Date: 30/8/2017

Approved by: Peter Mwangi Signature:  Date: 30/8/2017

BANK RECONCILIATION

STATE DEPARTMENT FOR WATER SERVICES

From Date : 01-JUL-16 To : 30-JUN-17 REC-STATE DEPT FOR WATER SERVICES
 Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000302097

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

Cheque		Payee	Amou
No	Date		
			Total

2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

Receipts		Amou
No	Date	
		Total

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

Cheque		Amou
No	Date	
		Total

4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT

Receipts		Amou
No	Date	
FT1712362VMD	30-JUN-17	0.
FT17171BK2T1	20-JUN-17	
FT17171BK2T1	20-JUN-17	
FT171BK2T1	20-JUN-17	
FT17159P2XQY	30-JUN-17	
		Total 0

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REPUBLIC OF KENYA
BANK RECONCILIATION
 STATE DEPARTMENT FOR WATER SERVICES

From Date : 01-JUL-16 To : 20-JUL-17 REC-STATE DEPT FOR WATER SERVICES
 Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000302097

	Balance as per bank certificate	1,125,652.25
Less --		
	1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	
	2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --		
	3. Payment in Bank Statement not yet recorded in Cash Book	
	4. Receipts in Cash Book not yet Recorded in Bank Statement	0.00
	Bank Balance as per Cash Book	1,125,652.25

Reconciled by: Nelson Lumbeta Signature:  Date: 20/8/2017

Reviewed by : Signature: Date:

Approved by: Peter Labee Signature:  Date: 30/7/17

P.O. 30

BANK RECONCILIATION
STATE DEPARTMENT FOR WATER SERVICES

From Date : 01-JUL-16 To : 30-JUN-17 REC-STATE DEPT FOR WATER SERVICES
Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000302097

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)			
Cheque		Payee	Amount
No	Date		
		Total	

2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK		
Receipts		Amount
No	Date	
		Total

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK		
Cheque		Amount
No	Date	
		Total

4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT		
Receipts		Amount
No	Date	
FT1712362VMD	30-JUN-17	0
FT17171BK2T1	20-JUN-17	
FT17171BK2T1	20-JUN-17	
FT171BK2T1	20-JUN-17	
FT17159P2XQY	30-JUN-17	
		Total
		0



STATEMENT OF RECEIPTS AND PAYMENTS

Entity: 1103-STATE DEPARTMENT FOR WATER SERVICES

Current Period: JUL-16 To JUN-17

Compare With: JUL-15 To JUN-16

	Note	Current Period	Previous Period
RECEIPTS			
Tax Receipts	1	0.00	0.00
Social Security Contribution	2	0.00	0.00
Proceeds from Domestic and Foreign Grants	3	91,963,910.00	0.00
Exchequer releases	4	22,816,057,602.00	0.00
Transfers from Other Government Entities	5	0.00	0.00
Proceeds from Domestic Borrowings	6	0.00	0.00
Proceeds from Foreign Borrowings	7	13,249,074,165.00	0.00
Proceeds from Sales of Assets	8	0.00	0.00
Reimbursements and Refunds	9	0.00	0.00
Returns of Equity Holdings	10	0.00	0.00
Other Receipts	11	1,962,500.00	0.00
TOTAL RECEIPTS		36,159,058,177.00	0.00
PAYMENTS			
Compensation of Employees	12	552,983,571.35	(59,394.70)
Use of goods and Services	13	323,996,905.70	0.00
Subsidies	14	0.00	0.00
Transfers to Other Government Units	15	24,785,802,620.10	0.00
Other Grants and Transfers	16	1,100,760,894.90	0.00
Social Security Benefits	17	0.00	0.00
Acquisition of Assets	18	9,274,808,802.20	0.00
Finance Costs, including Loan Interest	19	0.00	0.00
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00
Other payments	21	0.00	0.00
TOTAL PAYMENTS		36,038,352,794.25	(59,394.70)
SURPLUS/DEFICIT		120,705,382.75	(59,394.70)

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Statement of Financial Position

Entity: 1103-STATE DEPARTMENT FOR WATER SERVICES

Current Period: JUL-16 To JUN-17

Compare With: JUL-15 To JUN-16

	Note	Current Period Kshs	Previous Period Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	22A	9,548,254,444.30	0.00
Cash Balances	22B	154,542,687.05	0.00
Total Cash And Cash Equivalents		9,702,797,131.35	0.00
Accounts Receivables - Outstanding Imprest and Clearance Accounts	23	(4,062,201.70)	0.00
TOTAL FINANCIAL ASSETS		9,698,734,929.65	0.00
Financial Liabilities			
Accounts Payables - Deposits	24	9,577,971,252.20	(59,394.70)
NET FINANCIAL ASSETS		120,763,677.45	59,394.70
REPRESENTED BY			
Fund Balance b/fwd	25	59,394.70	0.00
Surplus/Deficit for the Year		120,705,382.75	(59,394.70)
NET FINANCIAL POSITION		120,764,777.45	(59,394.70)

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



STATEMENT OF CASH FLOW

Entity: 1103-STATE DEPARTMENT FOR WATER SERVICES
 Current Period: JUL-16 To JUN-17
 Compare With: JUL-15 To JUN-16

	Note	Current Period	Previous Period
		Kshs	Kshs
Receipts and operating income			
Tax Receipts	1	0.00	0.00
Social Security Contribution	2	0.00	0.00
Proceeds from Domestic and Foreign Grants	3	91,963,910.00	0.00
Exchequer releases	4	22,816,057,602.00	0.00
Transfers from Other Government Entities	5	0.00	0.00
Reimbursements and Refunds	9	0.00	0.00
Returns of Equity Holdings	10	0.00	0.00
Other Receipts	11	1,962,500.00	0.00
Payments for Operating Expenses			
Compensation of Employees	12	552,983,571.35	(59,394.70)
Use of goods and Services	13	323,996,905.70	0.00
Subsidies	14	0.00	0.00
Transfers to Other Government Units	15	24,785,802,620.10	0.00
Other Grants and Transfers	16	1,100,760,894.90	0.00
Social Security Benefits	17	0.00	0.00
Finance Costs, including Loan Interest	19	0.00	0.00
Other payments	21	0.00	0.00
Adjusted for :			
Adjustments during the year		9,582,092,848.60	(59,394.70)
Net Cash From Operating Activities	A	5,728,532,868.55	0.00
Cash Flow From Investing Activities			
Proceeds from Sales of Assets	8	0.00	0.00
Acquisition of Assets	18	9,274,808,802.20	0.00
Net Cash Flow From Investing Activities	B	(9,274,808,802.20)	0.00
Cash Flow From Borrowing Activities			
Proceeds from Domestic Borrowings	6	0.00	0.00
Proceeds from Foreign Borrowings	7	13,249,074,165.00	0.00
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00
Net Cash Flow From Financing Activities	C	13,249,074,165.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENT	A+B+C	9,702,798,231.35	0.00
Cash and Cash Equivalent at BEGINNING of The Year		0.00	0.00
Cash and Cash Equivalent at END of The Year	22A+22B	9,702,797,131.35	0.00

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



NOTES TO THE FINANCIAL STATEMENTS

Entity: 1103-STATE DEPARTMENT FOR WATER SERVICES

Current Period: JUL-16 To JUN-17

Compare With: JUL-15 To JUN-16

2 Social Security Contribution

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Health Insurance Contribution		0.00	0.00
NHIF Health Insurance Contributions		0.00	0.00
Contributions from Govt. Employees for Social & Welfare Schemes		0.00	0.00
TOTAL		0.00	0.00

4 Exchequer releases

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Exchequer Releases/ Provisioning Account		22,816,057,602.00	0.00
TOTAL		22,816,057,602.00	0.00

5 Transfers from Other Government Entities

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Grants received by Central Govt from General Govt units		0.00	0.00
Grants Received from General Govt units by Local Authorities		0.00	0.00
Grants to Fund Accounts from Central Govt Budget		0.00	0.00
Grants to other General Govt units from General Govt units		0.00	0.00
TOTAL		0.00	0.00

6 Proceeds from Domestic Borrowings

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Borrowing within General Government		0.00	0.00
Borrowing from Monetary Authorities (Central Bank)		0.00	0.00
Other Domestic Depository Corporations (Commercial Banks)		0.00	0.00
Borrowing from Other Domestic Financial Institutions		0.00	0.00
Borrowing from Other Domestic Creditors		0.00	0.00
TOTAL		0.00	0.00

7 Proceeds from Foreign Borrowings

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Foreign Borrowings - Drawdowns through Exchequer		0.00	0.00
Foreign Borrowing-Direct Payments		13,249,074,165.00	0.00
Foreign Currency and Foreign Deposits		0.00	0.00
Other Foreign Accounts Payable		0.00	0.00
TOTAL		13,249,074,165.00	0.00

8 Proceeds from Sales of Assets

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Receipts from the Sale of Buildings - Paid to Exchequer		0.00	0.00
Receipts from the Sale of Buildings		0.00	0.00
Receipts from sale of other st		0.00	0.00
Receipts from sale of other st		0.00	0.00
Receipts from the Sale of Vehicles and Transport		0.00	0.00

Item Description	Item Code	Current Period	Previous Period
Equipment			
Receipts from the Sale of Plant Machinery and Equipment - Paid to Exchequer		0.00	0.00
Receipts from the Sale of Plant Machinery and Equipment		0.00	0.00
Receipts from Sale of Certified Seeds and Breeding Stock - Paid to Exchequer		0.00	0.00
Receipts from Sale of Certified Seeds and Breeding Stock		0.00	0.00
Receipts from the Sale of Strategic Reserves Stocks		0.00	0.00
Receipts from the Sale of Other Inventories, Stocks, and Commodities		0.00	0.00
Receipts from the Sale of Inventories, Stocks and Commodities		0.00	0.00
Receipts from the Sale of Land		0.00	0.00
Receipts from the Sale of Other Naturally Occurring Non-Produced Assets		0.00	0.00
Receipts from the Sale of Intangible Non-Produced Assets		0.00	0.00
Receipts from the Sale of Non-Produced Assets Collected as AIA		0.00	0.00
Repayments from Loans to Government Agencies and Other Levels of Government		0.00	0.00
Loans to Non-Financial Public Enterprises		0.00	0.00
Loans to Financial Institutions		0.00	0.00
Repayments from Domestic Loans to Individuals and Households		0.00	0.00
Repayments from lending to Foreign Govts.		0.00	0.00
Repayments from lending to International Orgns		0.00	0.00
Repayments from lending to Foreign Non - Financial Enterps. & Financial Instns.		0.00	0.00
Repayments from Other Foreign Lending		0.00	0.00
Sales and Disposals of Equity Holdings in Domestic Public Non - Financial Enterprises		0.00	0.00
Sales and Disposals of Equity Holdings in Domestic Public Financial Institutions		0.00	0.00
Sales and Disposals of Other Equity Holdings		0.00	0.00
Sales and Disposals of Equity Holdings in Foreign Financial Instns. and Domestic Financial Instns. operating abroad		0.00	0.00
Sales and Disposals of Equity Holdings in Foreign Enterps. Financial Instns. and Domestic Financial Instns. operating abroad		0.00	0.00
Redemption/ Disposal of Other Financial Assets		0.00	0.00
Refund of Bonds paid as Deposits for Guarantees		0.00	0.00
TOTAL		0.00	0.00

Reimbursements and Refunds

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Refund from World Food Programme (WFP)		0.00	0.00
Reimbursement of Audit Fees		0.00	0.00
Reimbursement on Messing Charges (UNICEF)		0.00	0.00
Reimbursement from World Bank - ECD		0.00	0.00
Reimbursement from Individuals and Private Organizations		0.00	0.00
Reimbursement from Local Government Authorities		0.00	0.00
Reimbursement from Statutory Organizations		0.00	0.00
Reimbursement within Central Government		0.00	0.00
Reimbursement Using Bonds		0.00	0.00
Reimbursements and Refunds - Other (Budget)		0.00	0.00
TOTAL		0.00	0.00

11 Other Receipts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Interest Received		0.00	0.00
Profits and Dividends		0.00	0.00
Withdrawals from Income of Quasi-corporations		0.00	0.00
Rents on land, houses and buildings		0.00	0.00
Other Property Income collected as AIA		0.00	0.00
Sales of Market Establishment		0.00	0.00
Administrative Fees and Charges		0.00	0.00
Administrative Fees and Charges collected as AIA		0.00	0.00

Annex 4/(vi)/2

Item Description	Item Code	Current Period	Previous Period
Incidental Sales by Non-Market Establishments		0.00	0.00
Incidental Sales by Non-Market Establishments Collected as AIA		0.00	0.00
Receipts from Sale of Incidental Goods		1,962,500.00	0.00
Fines, Penalties, Forfeitures and other Charges		0.00	0.00
Current Grants from International NGOs paid through Exchequer		0.00	0.00
Capital Grants from International NGOs paid through Exchequer		0.00	0.00
Current Grants from International NGOs collected as AIA		0.00	0.00
Capital Grants from International NGOs collected as AIA		0.00	0.00
Other Voluntary Transfers for Current purposes		0.00	0.00
Other Voluntary Transfers for Capital purposes		0.00	0.00
Paid to Exchequer		0.00	0.00
Receipts Not Classified Elsewhere		0.00	0.00
		0.00	0.00
		0.00	0.00
Business Permits		0.00	0.00
Cesses		0.00	0.00
Poll Rates		0.00	0.00
Plot Rents		0.00	0.00
Other Local Levies		0.00	0.00
Administrative Services Fees		0.00	0.00
Various Fees		0.00	0.00
Council's Natural Resources Exploitation		0.00	0.00
Sales Of Council Assets		0.00	0.00
Lease / Rental Of Council's Infrastructure Assets		0.00	0.00
Other Miscellaneous Revenues		0.00	0.00
Other Miscellaneous Revenues		0.00	0.00
Insurance Claims Recovery		0.00	0.00
Medium Term Loans (1-3 Yr Repayment)		0.00	0.00
Long Term Loans (Over 3 Yr Rpayment)		0.00	0.00
Transfers From Reserve Funds		0.00	0.00
Donations		0.00	0.00
Fund Raising Events		0.00	0.00
Other Revenues From Financial Assets Loan		0.00	0.00
		0.00	0.00
Market/Trade Centre Fee		0.00	0.00
Vehicle Parking Fees		0.00	0.00
Housing		0.00	0.00
Social Premises Use Charges		0.00	0.00
School Fees		0.00	0.00
Other Education-Related Fees		0.00	0.00
Other Education Revenues		0.00	0.00
Public Health Services		0.00	0.00
Public Health Facilities Operations		0.00	0.00
Environment & Conservancy Administration		0.00	0.00
Slaughter Houses Administration		0.00	0.00
Water Supply Administration		0.00	0.00
Sewerage Administration		0.00	0.00
Other Health & Sanitation Revenues		0.00	0.00
Technical Services Fees		0.00	0.00
External Services Fees		0.00	0.00
		0.00	0.00
System Required Revenue A/cs		0.00	0.00
TOTAL		1,962,500.00	0.00

12 Compensation of Employees

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Basic Salaries - Permanent Employees		346,692,365.45	(59,394.70)
Basic Wages - Temporary Employees		0.00	0.00
Personal Allowances paid as part of Salary		206,291,205.90	0.00
Personal Allowances paid as Reimbursements		0.00	0.00
Personal Allowances provided in Kind		0.00	0.00
Employer Contributions to Compulsory National Social Security Schemes		0.00	0.00
Employer Contributions to Compulsory Health Insurance Schemes		0.00	0.00
USE OF GOODS AND SERVICES		0.00	0.00

13 Use of goods and Services

Item Description	Item Code	Current Period		Previous Period	
			Kshs		Kshs
Utilities, Supplies and Services			9,357,494.72		0.00
Communication, Supplies and Services			8,371,665.70		0.00
Domestic Travel and Subsistence, and Other Transportation Costs			46,445,139.20		0.00
Foreign Travel and Subsistence, and other transportation costs			21,388,358.00		0.00
Printing, Advertising and Information Supplies and Services			1,462,576.00		0.00
Rentals of Produced Assets			172,000.00		0.00
Training Expenses			9,740,653.00		0.00
Hospitality Supplies and Servi			2,234,199.00		0.00
Insurance Costs			0.00		0.00
Specialised Materials and Supp			56,783,912.30		0.00
Office and General Supplies and Services			53,340,005.00		0.00
Fuel Oil and Lubricants			11,080,421.83		0.00
Other Operating Expenses			41,486,514.00		0.00
Routine Maintenance - Vehicles			10,925,135.55		0.00
Routine Maintenance - Other Assets			11,208,579.75		0.00
Exchange Rate Losses			0.00		0.00
TOTAL			323,996,905.70		0.00

15 Transfers to Other Government Units

Item Description	Item Code	Current Period		Previous Period	
			Kshs		Kshs
Current Grants to Government Agencies and other Levels of Government			1,005,245,017.05		0.00
Capital Grants to Government Agencies and other Levels of Government			23,780,557,603.05		0.00
Other Current Transfers, Grants and Subsidies			0.00		0.00
Other Capital Grants and Trans			0.00		0.00
Exchequer Provisions			0.00		0.00
County Transfers			0.00		0.00
TOTAL			24,785,802,620.10		0.00

16 Other Grants and Transfers

Item Description	Item Code	Current Period		Previous Period	
			Kshs		Kshs
Grants and Transfers to Foreign Governments			0.00		0.00
Membership Fees and Dues and Subscriptions to International Organizations			0.00		0.00
Membership Fees and Dues and Subscriptions to International Organizations (Continued)			4,449,485.00		0.00
Scholarships and other Educational Benefits			0.00		0.00
Emergency Relief and Refugee Assistance			1,096,311,409.50		0.00
Grants to Small Businesses, Cooperatives, and Self Employed			0.00		0.00
TOTAL			1,100,760,894.90		0.00

17 Social Security Benefits

Item Description	Item Code	Current Period		Previous Period	
			Kshs		Kshs
Government Pension and Retirement Benefits			0.00		0.00
Social Security Benefits			0.00		0.00
Employer Social Benefits			0.00		0.00
Refund of Pension to UK Government			0.00		0.00
TOTAL			0.00		0.00

18 Acquisition of Assets

Item Description	Item Code	Current Period		Previous Period	
			Kshs		Kshs
Purchase of Buildings			0.00		0.00
Construction of Building			0.00		0.00
Refurbishment of Buildings			0.00		0.00
Construction of Roads			0.00		0.00
Construction and Civil Works			9,215,043,556.20		0.00

Item Description	Item Code	Current Period	Previous Period
Overhaul and Refurbishment of Construction and Civil Works		0.00	0.00
Purchase of Vehicles and Other Transport Equipment		0.00	0.00
Overhaul of Vehicles and Other Transport Equipment		485,900.00	0.00
Purchase of Household Furniture and Institutional Equipment		0.00	0.00
Purchase of Office Furniture and General Equipment		0.00	0.00
Purchase of Specialised Plant, Equipment and Machinery		5,855,795.00	0.00
Rehabilitation and Renovation of Plant, Machinery and Equipment		0.00	0.00
Purchase of Certified Seeds, Breeding Stock and Live Animals		0.00	0.00
Research, Feasibility Studies, Project Preparation and Design, Project Supervision		0.00	0.00
Rehabilitation of Civil Works		53,421,551.00	0.00
Purchase of Specialised Plant		0.00	0.00
Acquisition of Strategic Stocks		0.00	0.00
Acquisition of Other Inventori		0.00	0.00
Acquisition of Land		0.00	0.00
Acquisition of Other Intangible Assets		0.00	0.00
TOTAL		9,274,608,802.20	0.00

19 Finance Costs, including Loan Interest

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Interest Payments on Foreign Borrowing		0.00	0.00
Interest Payments on Guaranteed Debt		0.00	0.00
TOTAL		0.00	0.00

20 Repayment of Principal on Domestic and Foreign Borrowing

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Repayments on Borrowings from General Government		0.00	0.00
Repayments on Borrowings from Monetary Authorities (Central Bank)		0.00	0.00
Repayments on Borrowings from Other Domestic Depository Corporations (Commercial Banks)		0.00	0.00
Repayments on Borrowings from Other Domestic Financial Institutions		0.00	0.00
Repayments on Borrowings from Other Domestic Creditors		0.00	0.00
Principal Repayments on Foreign Borrowing		0.00	0.00
Principal Repayments on Guaranteed Domestic Debt Taken over by Government		0.00	0.00
Principal Repayments on Guaranteed Foreign Debt Taken over by Government		0.00	0.00
Repayments on Borrowings from Other Domestic Creditors - Private Enterprises		0.00	0.00
Repayments on Borrowings from Other Domestic Creditors - Public Enterprises		0.00	0.00
TOTAL		0.00	0.00

21 Other payments

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Budget Reserves		0.00	0.00
Civil Contingency Reserves		0.00	0.00
Capital Transfer to Non Financial Public Enterprises		0.00	0.00
Capital Transfer to Public Financial Institutions and Enterprises		0.00	0.00
Capital Transfer to Private Non-Financial Enterprises		0.00	0.00
System Required Expenses		0.00	0.00
TOTAL		0.00	0.00

22A Bank Balances

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs



Item Description	Item Code	Current Period	Previous Period
Treasury Bank Accounts (Exchequer and CRF Accounts)		0.00	0.00
Recurrent Bank Accounts		(218,904,486.60)	0.00
Development Bank Accounts		9,766,210,655.90	0.00
Deposit Bank Account		948,275.00	0.00
Project Specific Bank Accounts		0.00	0.00
Foreign Currency and Foreign D		0.00	0.00
TOTAL		9,548,254,444.30	0.00

22B Cash Balances

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Cash in Hand		154,542,687.05	0.00
Foreign Currency and Foreign D		0.00	0.00
TOTAL		154,542,687.05	0.00

23 Accounts Receivables - Outstanding Imprest and Clearance Accounts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Domestic Debtors & Advances		0.00	0.00
Debtors & Advances - Govt Owne		0.00	0.00
Foreign Debtors & Advances		0.00	0.00
Other Debtors & Pre-payments		(6,971,655.60)	0.00
Government Imprests		(6,329,677.25)	0.00
Agency Accounts		0.00	0.00
Agency Accounts		9,239,131.15	0.00
Suspense & Clearance Account		0.00	0.00
Other Current Assets (System r		0.00	0.00
TOTAL		(4,062,201.70)	0.00

24. ACCOUNTS PAYABLE

Item Description	Item code	Current Period	Previous Period
		Kshs	Kshs
Other Liabilities	7320000	(464,355.55)	(59,394.70)
Withholding Taxes	7380000	0.00	0.00
System Required Liabilities A/cs	7390000	9,578,435,607.75	0.00
TOTAL		9,577,971,252.20	(59,394.70)

25. FUND BALANCES BROUGHT FORWARD

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Opening Balance Bank	22A	0.00	0.00
Opening Balance Cash	22B	0.00	0.00
Opening Balance Receivables - Imprest and Clearance Accounts	23	0.00	0.00
Opening Balance - Deposits	24	59,394.70	0.00
TOTAL		59,394.70	0.00



Statement of Budget Execution
 Entity: 1103-STATE DEPARTMENT FOR WATER SERVICES
 Current Period: JUL-16 To JUN-17

	Note	Printed Estimate	Reallocation / Transfer	Supplementary Estimates	Final Approved Estimate (Net)	Actual	Budget Utilization Differences	% of Utilization
		a	b	c	D=a+b+c	e	f=d-e	g=e/d%
RECEIPTS								
Tax Receipts	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Social Security Contribution	2	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Domestic and Foreign Grants	3	1,515,652,000.00	0.00	(723,866,000.00)	791,786,000.00	91,963,910.00	699,819,090.00	11.61%
Excise/levy releases	4	0.00	0.00	0.00	0.00	22,816,057,602.00	(22,816,057,602.00)	0.00%
Transfers from Other Government Entities	5	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Domestic Borrowings	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Foreign Borrowings	7	26,951,420,000.00	0.00	(5,543,650,000.00)	21,407,770,000.00	13,249,074,165.00	8,158,696,835.00	61.89%
Proceeds from Sales of Assets	8	120,000.00	0.00	0.00	120,000.00	0.00	120,000.00	0.00%
Reimbursements and Returns	9	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Returns of Equity Holdings	10	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other Receipts	11	2,137,638,239.00	0.00	184,450,000.00	2,322,088,239.00	1,962,500.00	2,320,125,739.00	0.08%
Total		30,604,830,239.00	0.00	(6,063,066,000.00)	24,521,761,239.00	36,159,058,177.00	(5,554,227,938.00)	118.15%
PAYMENTS								
Compensation of Employees	12	617,131,737.00	0.00	(32,505,279.00)	584,626,458.00	552,983,571.35	31,642,886.65	94.59%
Use of goods and Services	13	164,570,184.00	0.00	183,190,940.00	347,761,124.00	323,996,905.70	23,764,218.30	93.17%
Subsidies	14	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Transfers to Other Government Units	15	24,880,202,000.00	0.00	9,977,141,448.00	34,857,343,448.00	24,785,802,620.10	10,071,540,827.90	71.11%
Other Grants and Transfers	16	4,450,000.00	0.00	1,096,674,183.00	1,101,124,183.00	1,100,760,894.90	363,288.10	99.97%
Social Security Benefits	17	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Acquisition of Assets	18	17,564,309,728.00	0.00	(5,563,260,440.00)	12,001,049,288.00	9,274,808,802.20	2,726,240,485.80	77.28%
Finance Costs, including Loan Interest	19	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other payments	21	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Total		43,230,663,649.00	0.00	5,661,240,852.00	48,891,904,501.00	36,038,352,794.25	7,192,310,854.75	83.36%



Statement of Budget Execution - Recurrent Expenditure
 Entity: 1103-STATE DEPARTMENT FOR WATER SERVICES
 Current Period: JUL-16 To JUN-17

	Note	Printed Estimate	Reallocation / Transfer	Supplementary Estimates	Final Approved Estimate (Net)	Actual	Budget Utilization Differences	% of Utilization
		a	b	c	D=a+b+c	E	F=d-e	G=e/d%
RECEIPTS								
Tax Receipts	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Social Security Contribution	2	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Domestic and Foreign Grants	3	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Exchange releases	4	0.00	0.00	0.00	0.00	3,870,997,620.00	(3,870,997,620.00)	0.00%
Transfers from Other Government Entities	5	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Domestic Borrowings	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Foreign Borrowings	7	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Sales of Assets	8	120,000.00	0.00	0.00	120,000.00	0.00	120,000.00	0.00%
Reimbursements and Refunds	9	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Returns of Equity Holdings	10	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other Receipts	11	2,137,538,239.00	0.00	184,450,000.00	2,322,088,239.00	1,962,500.00	2,320,125,739.00	0.08%
Total		2,137,758,239.00	0.00	184,450,000.00	2,322,208,239.00	3,872,960,120.00	(1,735,201,881.00)	181.17%
PAYMENTS								
Compensation of Employees	12	617,131,737.00	0.00	(32,506,279.00)	584,625,458.00	552,983,571.35	31,642,886.65	94.59%
Use of goods and Services	13	164,570,184.00	0.00	72,544,742.00	237,114,926.00	227,376,941.20	9,737,984.80	95.89%
Subsidies	14	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Transfers to Other Government Units	15	2,830,650,000.00	0.00	500,850,000.00	3,331,500,000.00	1,005,245,017.05	2,326,254,982.95	30.17%
Other Grants and Transfers	16	4,450,000.00	0.00	522,000,000.00	526,450,000.00	526,186,107.90	263,892.10	99.95%
Social Security Benefits	17	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Acquisition of Assets	18	7,789,728.00	0.00	(663,742.00)	7,125,986.00	16,676,535.00	(11,550,549.00)	262.09%
Finance Costs, including Loan Interest	19	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other payments	21	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Total		3,624,591,649.00	0.00	1,062,225,721.00	4,686,817,370.00	2,330,468,172.50	1,294,123,476.50	64.30%



Statement of Budget Execution
Entity: 1103-STATE DEPARTMENT FOR WATER SERVICES
Current Period: JUL-16 To JUN-17

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Statement of Budget Execution - Development Expenditure
Entity: 1103-STATE DEPARTMENT FOR WATER SERVICES
Current Period: JUL-16 To JUN-17

	Note	Printed Estimate	Reallocation / Transfer	Supplementary Estimates	Final Approved Estimate (Net)	Actual	Budget Utilization Differences	% of Utilization
		a	b	c	D=a+b+c	e	f=d-e	g=e/d%
RECEIPTS								
Tax Receipts	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Social Security Contribution	2	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Domestic and Foreign Grants	3	1,515,652,000.00	0.00	(723,869,000.00)	791,783,000.00	91,963,910.00	699,819,090.00	11.61%
Exchange releases	4	0.00	0.00	0.00	0.00	18,945,059,982.00	(18,945,059,982.00)	0.00%
Transfers from Other Government	5	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Entitles	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Domestic Borrowings	7	26,951,420,000.00	0.00	(5,543,650,000.00)	21,407,770,000.00	13,249,074,165.00	8,158,695,835.00	61.89%
Proceeds from Sales of Assets	8	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Reimbursements and Refunds	9	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Returns of Equity Holdings	10	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other Receipts	11	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Total		28,467,072,000.00	0.00	(6,267,519,000.00)	22,199,553,000.00	32,286,098,057.00	(3,819,026,057.00)	113.42%
PAYMENTS								
Compensation of Employees	12	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Use of goods and Services	13	0.00	0.00	110,646,198.00	110,646,198.00	96,619,964.50	14,026,233.50	87.32%
Subsidies	14	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Transfers to Other Government Units	15	22,049,552,000.00	0.00	9,476,291,448.00	31,525,843,448.00	23,780,557,603.05	7,745,285,844.95	75.43%
Other Grants and Transfers	16	0.00	0.00	574,674,183.00	574,674,183.00	574,574,787.00	99,396.00	99.98%
Social Security Benefits	17	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Acquisition of Assets	18	17,556,520,000.00	0.00	(5,562,596,698.00)	11,993,923,302.00	9,256,132,267.20	2,737,791,034.80	77.17%
Finance Costs, including Loan Interest	19	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other payments	21	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Total		39,606,072,000.00	0.00	4,599,015,131.00	44,205,087,131.00	33,707,894,621.75	5,898,187,378.25	85.11%



Statement of Budget Execution - Recurrent Expenditure
 Entity: 1103-STATE DEPARTMENT FOR WATER SERVICES
 Current Period: JUL-16 To JUN-17

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____





SUMMARY STATEMENT OF DEPOSITS

Entity: 1103-STATE DEPARTMENT FOR WATER SERVICES

Current Period: JUL-16 To JUN-17

Compare With: JUL-15 To JUN-16

Economic Item	6550101 - Ministry HQ Deposit Bank A/C	
	Current Period	Previous Period
Opening Balance	0.00	0.00
Transfers of retentions during the year	948,275.00	0.00
Payments made out of deposit account during the year	0.00	0.00
Closing Balance	948,275.00	0.00
<div style="display: flex; justify-content: space-between; align-items: flex-end; padding: 5px;"> Principal Secretary Controller Principal Accounts </div>		

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____

Annex 4/(ix)



Budget Execution by Programme and Economic Classification

Entity: 1103-STATE DEPARTMENT FOR WATER SERVICES

Period: JUL-16 To JUN-17

Program	Item	Description	Approved Budget	Actual Payments	Variance
0000000000		Default - Non Programmatic	0.00	(12,200.00)	12,200.00
	2210000	Goods and Services	0.00	(12,200.00)	12,200.00
1001000000		General Administration, Planning and Support Services	892,374,828.00	854,303,447.40	38,071,380.60
	2110000	Wages and Salary Contributions	218,780,967.00	241,301,785.40	(22,520,818.40)
	2210000	Goods and Services	177,654,972.00	174,273,753.25	3,381,218.75
	2220000	Routine Maintenance	13,916,411.00	13,799,981.75	116,429.25
	2630000	Grants & Transfer To Other Govt. Units	231,880,000.00	175,380,000.00	56,500,000.00
	2640000	Other Transfers and Emergency Relief	221,174,183.00	221,093,927.00	80,256.00
	3110000	Acquisition of Fixed Capital Assets	28,968,295.00	28,454,000.00	514,295.00
1004000000		Water Resources Management	47,999,529,673.00	35,184,061,546.85	12,815,468,126.15
	2110000	Wages and Salary Contributions	365,845,491.00	311,726,585.95	54,118,905.05
	2210000	Goods and Services	142,092,394.00	127,601,491.15	14,490,902.85
	2220000	Routine Maintenance	14,097,347.00	8,333,879.55	5,763,467.45
	2620000	Grants and Other Transfers to International Organizations	4,450,000.00	4,449,485.00	515.00
	2630000	Grants & Transfer To Other Govt. Units	34,625,463,448.00	24,610,377,820.10	10,015,085,627.90
	2640000	Other Transfers and Emergency Relief	875,500,000.00	875,217,482.90	282,517.10
	3110000	Acquisition of Fixed Capital Assets	11,972,080,993.00	9,246,354,802.20	2,725,726,190.80
1017000000			0.00	0.00	0.00
	2210000	Goods and Services	0.00	0.00	0.00
T0000000			24,370,143,262.00	22,736,541,448.50	1,633,601,813.50
	2110000	Wages and Salary Contributions	584,626,458.00	552,983,571.35	31,642,886.65
	2210000	Goods and Services	319,707,366.00	301,848,044.40	17,859,321.60
	2220000	Routine Maintenance	27,733,758.00	21,939,481.30	5,794,276.70
	2620000	Grants and Other Transfers to International Organizations	4,450,000.00	4,449,485.00	515.00
	2630000	Grants & Transfer To Other Govt. Units	15,494,480,209.00	14,798,752,711.30	695,727,497.70
	2640000	Other Transfers and Emergency Relief	1,096,674,183.00	1,096,311,409.90	362,773.10
	3110000	Acquisition of Fixed Capital Assets	6,842,471,288.00	5,960,256,745.25	882,214,542.75
		Grand Total	73,262,047,763.00	58,774,894,242.75	14,487,153,520.25

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Budget Execution by Heads and Programmes

Entity: 1103-STATE DEPARTMENT FOR WATER SERVICES

Period: JUL-16 To JUN-17

Head	Program	Description	Approved Budget	Actual Payments	Variance
1103000100			309,263,326.00	333,451,660.75	(24,188,334.75)
	1001000000	General Administration, Planning and Support Services	309,263,326.00	333,451,660.75	(24,188,334.75)
1103000200			68,491,917.00	65,810,913.45	2,681,003.55
	1001000000	General Administration, Planning and Support Services	68,491,917.00	65,810,913.45	2,681,003.55
1103000300			27,000,000.00	24,666,000.00	2,334,000.00
	1004000000	Water Resources Management	27,000,000.00	24,666,000.00	2,334,000.00
1103000400			2,808,355,780.00	655,554,536.05	2,152,801,243.95
	1004000000	Water Resources Management	2,808,355,780.00	655,554,536.05	2,152,801,243.95
1103000500			44,371,105.00	45,724,162.70	(1,353,057.70)
	1017000000		0.00	0.00	0.00
	1004000000	Water Resources Management	44,371,105.00	45,724,162.70	(1,353,057.70)
1103000600			97,610,374.00	73,689,538.50	23,920,835.50
	1004000000	Water Resources Management	97,610,374.00	73,689,538.50	23,920,835.50
1103000700			200,880,000.00	144,380,000.00	56,500,000.00
	1001000000	General Administration, Planning and Support Services	200,880,000.00	144,380,000.00	56,500,000.00
1103000800			19,565,402.00	16,977,297.70	2,588,104.30
	1001000000	General Administration, Planning and Support Services	19,565,402.00	16,977,297.70	2,588,104.30
1103000900			38,189,900.00	30,577,160.60	7,612,739.40
	1004000000	Water Resources Management	38,189,900.00	30,577,160.60	7,612,739.40
1103001000			88,583,109.00	84,586,723.85	3,996,385.15
	1004000000	Water Resources Management	88,583,109.00	84,586,723.85	3,996,385.15
1103001100			163,195,597.00	136,841,938.00	26,353,659.00
	1001000000	General Administration, Planning and Support Services	17,000,000.00	16,980,048.50	19,951.50
	1004000000	Water Resources Management	146,195,597.00	119,861,889.50	26,333,707.50
1103001200			278,864,220.00	164,200,371.00	114,663,849.00
	1004000000	Water Resources Management	278,864,220.00	164,200,371.00	114,663,849.00
1103001300			4,046,640.00	3,539,097.00	507,543.00
	1004000000	Water Resources Management	4,046,640.00	3,539,097.00	507,543.00
1103001400			16,400,000.00	28,732,150.00	(12,332,150.00)
	1004000000	Water Resources Management	16,400,000.00	28,732,150.00	(12,332,150.00)
1103002100			522,000,000.00	521,735,622.90	263,377.10
	1001000000	General Administration, Planning and Support Services	0.00	18,900.00	(18,900.00)
	1004000000	Water Resources Management	522,000,000.00	521,717,722.90	282,277.10
1103100100			61,025,000.00	44,231,114.15	16,793,885.85
	1004000000	Water Resources Management	61,025,000.00	44,231,114.15	16,793,885.85
1103100200			146,714,000.00	0.00	146,714,000.00
	1004000000	Water Resources Management	146,714,000.00	0.00	146,714,000.00
1103100300			0.00	15,000,000.00	(15,000,000.00)
	1004000000	Water Resources Management	0.00	15,000,000.00	(15,000,000.00)
1103100400			235,000,000.00	121,792,510.55	113,207,489.45
	1004000000	Water Resources Management	235,000,000.00	121,792,510.55	113,207,489.45
1103100500			210,000,000.00	(133,182,102.00)	343,182,102.00
	1004000000	Water Resources Management	210,000,000.00	(133,182,102.00)	343,182,102.00
1103100600			540,000,000.00	47,500,000.00	492,500,000.00
	1004000000	Water Resources Management	540,000,000.00	47,500,000.00	492,500,000.00
1103100700			32,000,000.00	32,000,000.00	0.00
	1004000000	Water Resources Management	32,000,000.00	32,000,000.00	0.00
1103100800			250,000,000.00	115,220,907.00	134,779,093.00
	1004000000	Water Resources Management	250,000,000.00	115,220,907.00	134,779,093.00
1103100900			552,640,000.00	405,159,922.55	147,480,077.45
	1004000000	Water Resources Management	552,640,000.00	405,159,922.55	147,480,077.45
1103101000			490,000,000.00	411,801,919.10	78,198,080.90
	1004000000	Water Resources Management	490,000,000.00	411,801,919.10	78,198,080.90
1103101100			190,000,000.00	92,694,316.40	97,305,683.60
	1004000000	Water Resources Management	190,000,000.00	92,694,316.40	97,305,683.60
1103101200			150,000,000.00	0.00	150,000,000.00
	1004000000	Water Resources Management	150,000,000.00	0.00	150,000,000.00
1103101300			3,250,000,000.00	2,622,914,010.75	627,085,989.25
	1004000000	Water Resources Management	3,250,000,000.00	2,622,914,010.75	627,085,989.25
1103101400			62,000,000.00	61,651,288.25	348,711.75
	1004000000	Water Resources Management	62,000,000.00	61,651,288.25	348,711.75
1103101500			3,000,000.00	2,931,454.35	68,545.65

	1004000000	Water Resources Management	3,000,000.00	2,931,454.35	68,545.65
1103101600			7,771,130,000.00	7,700,346,043.90	70,783,956.10
	1004000000	Water Resources Management	7,771,130,000.00	7,700,346,043.90	70,783,956.10
1103101700			1,614,000,000.00	1,096,028,878.50	517,971,121.50
	1004000000	Water Resources Management	1,614,000,000.00	1,096,028,878.50	517,971,121.50
1103101800			218,177,500.00	40,500,000.00	177,677,500.00
	1004000000	Water Resources Management	218,177,500.00	40,500,000.00	177,677,500.00
1103101900			142,500,000.00	94,656,257.50	47,843,742.50
	1004000000	Water Resources Management	142,500,000.00	94,656,257.50	47,843,742.50
1103102000			663,393,000.00	63,757,447.70	599,635,552.30
	1004000000	Water Resources Management	663,393,000.00	63,757,447.70	599,635,552.30
1103102100			823,000,000.00	494,214,022.50	328,785,977.50
	1004000000	Water Resources Management	823,000,000.00	494,214,022.50	328,785,977.50
1103102200			4,324,000,000.00	2,173,536,366.05	2,150,463,633.95
	1004000000	Water Resources Management	4,324,000,000.00	2,173,536,366.05	2,150,463,633.95
1103102300			100,000,000.00	0.00	100,000,000.00
	1004000000	Water Resources Management	100,000,000.00	0.00	100,000,000.00
1103102400			160,000,000.00	136,033,579.90	23,966,420.10
	1004000000	Water Resources Management	160,000,000.00	136,033,579.90	23,966,420.10
1103102500			100,000,000.00	42,140,982.40	57,859,017.60
	1004000000	Water Resources Management	100,000,000.00	42,140,982.40	57,859,017.60
1103102600			996,000,000.00	881,695,109.40	114,304,890.60
	1004000000	Water Resources Management	996,000,000.00	881,695,109.40	114,304,890.60
1103102700			7,179,000,000.00	4,180,674,616.40	2,998,325,383.60
	1004000000	Water Resources Management	7,179,000,000.00	4,180,674,616.40	2,998,325,383.60
1103102800			132,000,000.00	105,232,372.80	26,767,627.20
	1004000000	Water Resources Management	132,000,000.00	105,232,372.80	26,767,627.20
1103102900			110,000,000.00	110,000,000.00	0.00
	1004000000	Water Resources Management	110,000,000.00	110,000,000.00	0.00
1103103000			65,000,000.00	48,750,000.00	16,250,000.00
	1004000000	Water Resources Management	65,000,000.00	48,750,000.00	16,250,000.00
1103103100			30,000,000.00	22,500,000.00	7,500,000.00
	1004000000	Water Resources Management	30,000,000.00	22,500,000.00	7,500,000.00
1103103200			60,000,000.00	45,000,000.00	15,000,000.00
	1004000000	Water Resources Management	60,000,000.00	45,000,000.00	15,000,000.00
1103103300			20,000,000.00	15,000,000.00	5,000,000.00
	1004000000	Water Resources Management	20,000,000.00	15,000,000.00	5,000,000.00
1103103400			15,000,000.00	11,250,000.00	3,750,000.00
	1004000000	Water Resources Management	15,000,000.00	11,250,000.00	3,750,000.00
1103103500			25,000,000.00	18,750,000.00	6,250,000.00
	1004000000	Water Resources Management	25,000,000.00	18,750,000.00	6,250,000.00
1103103600			25,000,000.00	25,000,000.00	0.00
	1004000000	Water Resources Management	25,000,000.00	25,000,000.00	0.00
1103103700			162,000,000.00	162,000,000.00	0.00
	1004000000	Water Resources Management	162,000,000.00	162,000,000.00	0.00
1103103800			55,000,000.00	55,000,000.00	0.00
	1004000000	Water Resources Management	55,000,000.00	55,000,000.00	0.00
1103103900			45,000,000.00	44,676,901.00	323,099.00
	1004000000	Water Resources Management	45,000,000.00	44,676,901.00	323,099.00
1103104000			36,000,000.00	36,000,000.00	0.00
	1004000000	Water Resources Management	36,000,000.00	36,000,000.00	0.00
1103104100			20,000,000.00	20,000,000.00	0.00
	1004000000	Water Resources Management	20,000,000.00	20,000,000.00	0.00
1103104200			30,000,000.00	30,000,000.00	0.00
	1004000000	Water Resources Management	30,000,000.00	30,000,000.00	0.00
1103104300			15,000,000.00	15,000,000.00	0.00
	1004000000	Water Resources Management	15,000,000.00	15,000,000.00	0.00
1103104400			2,000,000.00	2,000,000.00	0.00
	1004000000	Water Resources Management	2,000,000.00	2,000,000.00	0.00
1103104500			10,000,000.00	10,000,000.00	0.00
	1004000000	Water Resources Management	10,000,000.00	10,000,000.00	0.00
1103104600			64,000,000.00	64,000,000.00	0.00
	1004000000	Water Resources Management	64,000,000.00	64,000,000.00	0.00
1103104700			172,000,000.00	172,000,000.00	0.00
	1004000000	Water Resources Management	172,000,000.00	172,000,000.00	0.00
1103104800			108,000,000.00	108,000,000.00	0.00
	1004000000	Water Resources Management	108,000,000.00	108,000,000.00	0.00
1103104900			50,000,000.00	50,000,000.00	0.00
	1004000000	Water Resources Management	50,000,000.00	50,000,000.00	0.00
1103105000			178,356,400.00	189,652,000.00	(11,295,600.00)
	1004000000	Water Resources Management	178,356,400.00	189,652,000.00	(11,295,600.00)
1103105100			195,000,000.00	195,000,000.00	0.00
	1004000000	Water Resources Management	195,000,000.00	195,000,000.00	0.00
1103105200			328,000,000.00	301,106,000.00	26,894,000.00
	1004000000	Water Resources Management	328,000,000.00	301,106,000.00	26,894,000.00
1103105300			425,000,000.00	24,983,600.00	400,016,400.00

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