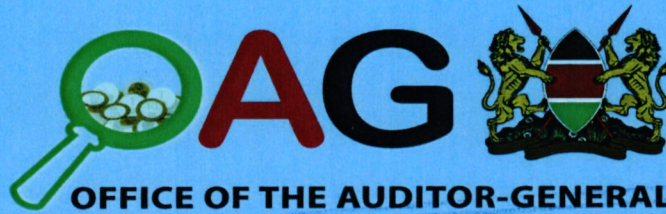


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ON

**KENYA TOWNS SUSTAINABLE WATER
SUPPLY AND SANITATION PROGRAMME
(AfDB LOAN NO.2000200000501)**

**FOR THE YEAR ENDED
30 JUNE, 2022**

**TANA WATER WORKS
DEVELOPMENT AGENCY**





**PROGRAMME NAME: KENYA TOWNS SUSTAINABLE WATER SUPPLY AND
SANITATION PROGRAMME (KTSWSSP)**

IMPLEMENTING ENTITY: TANA WATER WORKS DEVELOPMENT AGENCY

PROGRAMME LOAN NUMBER: 2000200000501

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022



**Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Programme
Annual Report and Financial Statements for the Financial Year Ended June 30 2022**

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1. Programme Information and Overall Performance

1.1 Name and Registered Office

Name

The Programme official name is Kenya Towns Sustainable Water Supply and Sanitation Programme (KTSWSSP).

Objective

The key objective of the Programme is to improve the access, quality, availability and sustainability of water supply and wastewater management services in multiple towns in Kenya, with a view to catalysing commercial activities, driving economic growth, employment creation, improving quality of life of the people and building resilience against climate variability and change.

Address

The Programme headquarters office is in Nyeri Town, Nyeri County in Kenya.

The address of its registered office is:

Tana Water Works Development Agency

Baden Powell Rd.

Nyeri Town, Kenya

P.O. Box 1292-10100

Nyeri.

Contacts: The following are the Programme contacts

P.O Box 1292-10100, Nyeri

Telephone: 061-2032282

E-mail: info@tanawwda.go.ke or ceo@tanawwda.go.ke

Website: www.tanawwda.go.ke

1.2 Programme Information

Programme Start Date:	The Programme start date is 9 January 2017
Programme End Date:	The Programme end date is 31 December 2023
Programme Manager:	The Programme manager is Eng. Philip Gichuki
Programme Sponsor:	The Programme sponsor is African Development Bank

Programme Information and Overall Performance (Continued)

1.3 Programme Overview

Line Ministry	The Programme is under the supervision of the Ministry of Water, Sanitation and Irrigation
Programme Number	P-KE-E00-011
Strategic Goals of the Programme	The Strategic Goals of the Programme are; <ol style="list-style-type: none"> i. To improve the access, quality, availability and sustainability of water supply services in the Kenya towns of Kerugoya, Kutus, Chuka, Chogoria, Murang'a, Mandera, Marsabit, Isiolo, Garissa and Loiyangalani with a view to catalyzing commercial activities, driving economic growth and employment creation. ii. To improve the access to wastewater management services in the Kenya towns of Kerugoya, Kutus, Chuka, Chogoria, Meru, Othaya, Mandera, Marsabit, Isiolo, Loiyangalani and Nanyuki with a view to catalyzing commercial activities, driving economic growth, and employment creation.
Achievement of Strategic Goals	The Programme Management aims to achieve the goals through the following means: <ol style="list-style-type: none"> i. Construction of water supply infrastructure for improved water services in 10 No. Kenyan towns. ii. Construction of sewerage infrastructure for improved sanitation services in 11 No. Kenyan towns.
Other Important Background Information of the Programme	The Programme aims is to: <ol style="list-style-type: none"> i. Improve the health and quality of life in 13 No. towns. ii. Reduce poverty levels of the population through provision of water and sanitation services on a sustainable basis and employment creation in 13 No. Towns iii. Catalyse commercial activities to drive economic growth in 13 No. towns
Current Situation that the Programme was formed to Intervene	The Programme was formed to intervene in the following areas: <ol style="list-style-type: none"> i. Water coverage where the water needs are not being addressed by any other Development Partners in 10 No. towns. ii. Sewerage coverage where sanitation needs is not being addressed by any other Development Partners in 11 No. towns iii. Last Mile Connectivity to customers to complement the completed Programme in the towns of Murang'a, Othaya, Garissa and Isiolo. iii. Water quality testing by constructing laboratory and equipping of the laboratory in 7 No. Kenya towns.

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	<ul style="list-style-type: none"> iv. Sewerage test by constructing laboratory and equipping of the laboratory in 7 No. Kenyan towns. v. Capacity development of Water Service Providers and the Agency staff through trainings in 11 No. Towns vi. Bills Processing by installing billing software to increase efficiency in billing process in 6 No. towns. vii. Non-Revenue Water Management by procuring of water meters and Leak Detection Equipment for Non-Revenue Water Management in 6 No. towns viii. Resilience against climate variability and change by Construction of Biogas Domes in 3 No towns. iv. Agencies Resource Management by installation of Enterprise Resource Planner (ERP) in the 2 Agencies. v. Building capacity of 5 No. Water Service Providers by Procurement of 8 No. of Vacuum Exhausters.
Programme Duration	The Programme started on 9 January 2017 and is expected to run until 31 December 2023

1.4 Bankers

The following is the banker for the current year:

Kenya Commercial Bank

Nyeri Branch

P.O Box 215-10100

Nyeri, KENYA

1.5 Auditors

The Programme is audited by the Office of the Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

Programme Information and Overall Performance (Continued)

1.6 Roles and Responsibilities

The following officers are involved in the Programme implementation;

Names	Title Designation	Key Qualification	Responsibilities
Eng. Philip Gichuki	CEO	Msc. (Agric. Eng) Bsc (Civil Engineering)	<ul style="list-style-type: none"> • Ensuring Fiduciary Responsibilities relating to the Programme are in accordance to the Financing Agreement. • Monitoring overall Programme progress. • Ensuring AfDB Programme implementation guidelines are complied with. • Ensuring Programme progress report is prepared and is accurate. • Ensuring Programme Financial Statements are prepared. • Ensuring direct payments are submitted to the parent Ministry for onward transmission to The National Treasury and Planning and AfDB. • Ensuring adequate funds for direct payment and counterpart are allocated in the budget. • Overseeing Programme procurement plan for the programme • Ensuring adherence to AfDB guidelines in the procurement of Goods, Works and Services under the Programme
Arthur Mamo	Programme Coordinator	Bsc. Civil Engineering, MBA (Project Management)	<ul style="list-style-type: none"> • Programme monitoring and reviewing • Presenting Programme progress reports • Ensuring Programme implementation is in accordance to AfDB guidelines
CPA Nicholas Kariuki	Programme Accountant	B. Com, MBA, MA (Project Management), CPA(K), CS(K)	<ul style="list-style-type: none"> • Preparation of Programme Financial Statement.

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Names	Title Designation	Key Qualification	Responsibilities
			<ul style="list-style-type: none"> • Programme payments processing. • Forwarding direct payments to the Ministry of Water, Sanitation and Irrigation for onward transmission to The National Treasury and Planning and AfDB • Preparing Programme Budget Estimates
Samuel K. Ndung'u	Programme Engineer-NWWDA	Bsc. Civil Engineering	<ul style="list-style-type: none"> • Assist in Programme monitoring and reviewing • Assist in Presenting Programmes progress reports • Assist in ensuring Programme implementation is in accordance to AfDB guidelines
Martin Gitonga	Procurement Specialist-TWWDA	Bachelor of Supply Chain Management	<ul style="list-style-type: none"> • Preparation of procurement Plan for the programme • Ensuring Procurement of Goods, Works and Services under the Programme is in accordance to the AfDB guidelines
Benedict Kimwaki	Procurement Specialist-NWWDA	Msc. Supply Chain Management	<ul style="list-style-type: none"> • Assist in preparation of procurement Plan for the programme • Assist in ensuring Procurement of Goods, Works and Services under the Programme is in accordance to the AfDB Guidelines

1.7A. Source of Fund

(i) Funding Summary – External Assistance

The Programme is for a duration of 7 years from 9th January 2017 to 31st December 2023 with an approved budget of USD 107,631,872 equivalent to KES 10,998,156,567 for AfDB and USD 782,920 equivalent to KES 80,000,000 for ADF Loan as highlighted in the tables below:

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Programme Information and Overall Performance (Continued)

Below is the funding summary:

Source of Funds

Source of Funds	Donor Commitment		Amount received to date (30 June 2022)		Undrawn balance to date (30 June 2022)	
	<i>Donor currency USD</i>	<i>KES</i>	<i>Donor currency USD</i>	<i>KES</i>	<i>Donor currency USD</i>	<i>KES</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i)Loan						
Africa Development Bank*	55,675,511	5,689,093,088	26,499,376	2,738,754,234	29,176,135	2,950,338,854
Africa Development Bank**	51,956,361	5,309,063,479	30,946,549	3,239,211,389	21,009,812	2,069,852,090
Total	107,631,872	10,998,156,567	57,445,925	5,977,965,623	50,185,947	5,020,190,944

*Loan for Tana Water Works Development Agency

**Loan for Northern Water Works Development Agency

***Amount received to date (KES)

2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Cumulative to date
KES	KES	KES	KES	KES	KES
190,896,104	707,494,626	1,392,345,820	1,412,328,054	2,274,901,019	5,977,965,623

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Source of Funds

Source of Funds	Donor Commitment		Amount received to date (30 June 2022)		Undrawn balance to date (30 June 2022)	
	<i>Donor currency USD</i>	<i>KES</i>	<i>Donor currency USD</i>	<i>KES</i>	<i>Donor currency USD</i>	<i>KES</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i)Loan						
Africa Development Bank Fund (ADf Loan) *	782,920	80,000,000	-	-	-	-
Total	782,920	80,000,000	-	-	-	-

*Loan for Northern water works Agency

(ii) Funding Summary – GoK Counterpart

Counterpart Funds	GOK Commitment	Amount received to date (30 June 2022)	Undrawn balance to date (30 June 2022)
	<i>KES</i>	<i>KES</i>	<i>KES</i>
Government of Kenya	1,723,829,051	964,873,884*	758,955,167

***Amount received to date**

2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Cumulative to date
<i>KES</i>	<i>KES</i>	<i>KES</i>	<i>KES</i>	<i>KES</i>	<i>KES</i>
64,873,884	75,000,000	300,000,000	175,000,000	350,000,000	964,873,884

Computation (Amount in Millions)

Total Programme Amount = AFDB Loan UA 271.721
 ADF Loan UA 5.135
 GoK UA 43.388
UA 320.244

=GoK Counterpart ratio: GoK/Total programme Cost
 = 43.388/320.244=13.55%

=KES 10,998,156,567 *13.55% =KES **1,723,829,051**
 86.45%

1.7B. Application of Funds

(i) Application of funds Summary – External Assistance

Application of Funds	Amount received to date (30 th June 2022)		Cumulative Amount Paid to date (30 th June 2022)		Unutilized balance to date (30 June 2022)	
	<i>Donor currency USD</i>	<i>KES</i>	<i>Donor currency USD</i>	<i>KES</i>	<i>Donor currency USD</i>	<i>KES</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan						
Africa Development Bank*	26,499,376	2,738,754,234	26,499,376	2,738,754,234	-	-
Africa Development Bank**	30,946,549	3,239,211,389	30,946,549	3,239,211,389	-	-
Total	57,445,925	5,977,965,623	57,445,925	5,977,965,623	-	-

(ii) Application of Funds Summary – GoK Counterpart

Application of Funds	Amount received to date (30 June 2022)	Cumulative amount paid to date (30 June 2022)	Unutilized balance to date (30 June 2022)
Counterpart Funds	<i>KES</i>	<i>KES</i>	<i>KES</i>
Government of Kenya	964,873,884	964,873,872	12

1.8 Summary of Overall Programme Performance:

i) Budget Performance against actual amounts for current financial year and for cumulative to date

a) Budget Performance against actual amount for the current financial year

In the FY 2021/2022 the approved budget was KES 2,624,921,314 and actual expenditure was KES 2,624,921,301.

Programme Information and Overall Performance (Continued)

Budgetary performance against actual amounts for current financial year

Details	Budget (KES)	Expenditure (KES)	Variance (KES)	Percentage Absorption (%)
Loan	2,274,901,019	2,274,901,019	-	100%
GoK Counterpart	350,020,295	350,020,283	12	100%
Total	2,624,921,314	2,624,921,301	12	100%

b) Budget Performance against actual amounts for cumulative to date

Cumulative allocation for the programme is KES 7,672,901,019 against cumulative actual expenditure of KES 6,942,839,495.

Budgetary performance against actual amounts for cumulative to date

Year	Details	Budget (KES)	Expenditure (KES)	Variance (KES)	Percentage Absorption (%)
2017/2018	Loan	300,000,000	190,896,104	109,103,896	63.63
	GoK Counterpart	18,000,000	64,873,884	(46,873,884)	360.41
2018/2019	Loan	730,000,000	707,494,626	22,505,374	96.92
	GoK Counterpart	100,000,000	61,447,050	38,552,950	61.45
2019/2020	Loan	1,700,000,000	1,392,345,820	307,654,180	81.90
	GoK Counterpart	400,000,000	159,241,343	240,758,657	39.81
2020/2021	Loan	1,500,000,000	1,412,328,054	87,671,946	94.16
	GoK Counterpart	300,000,000	329,291,312	(29,291,312)	109.76
2021/2022	Loan	2,274,901,019	2,274,901,019	-	100.00
	GoK Counterpart	350,000,000	350,020,283	(20,283)	100.01
Total		7,672,901,019	6,942,839,495	730,061,524	90.49

ii) Physical Progress based on outputs, outcomes and impacts since project commencement.

The bulk of works are at construction stage hence the performance and impact of the Programme cannot be evaluated at this stage. However, the overall value of work done is at 52.77%.

Programme Information and Overall Performance (Continued)

iii) Value for Money Achievement

The amount paid to consultants and contractors is as follows:

S/ No.	Details	Amount
1	Consultancy	547,903,781
2	Contractors	3,789,060,361
3	Advance Payment	1,641,001,481
4	GoK Counterpart*	964,873,872

***GoK Counterpart**

1. Land –	KES 426,542,148
2. Easement and Wayleaves -	KES 331,379,086
3. Project Administration Costs -	KES 200,011,688
4. Customer Distribution line -	KES 1,939,947
5. Sewer line -	KES 5,001,003
Total -	KES 964,873,872

$$\text{Value for Money} = \frac{\text{Actual Works Cost} \times 100}{\text{Total Budget}} = \frac{3,789,060,361 \times 100}{7,180,000,000} = 49.38\%$$

Physical work done is at 77.06% compared to 49.38 % of the value of work done.

iv) Absorption Rate

The Programme Absorption rates are as follows:

Financial Year	Computation	Absorption Rate (%)
2021/2022	$\frac{\text{Actual expenditure} = 6,942,839,495 \times 100}{\text{Total Programme Cost } 12,721,985,618}$	54.57
2020/2021	$\frac{\text{Actual expenditure} = 4,317,918,193 \times 100}{\text{Total Programme Cost } 12,721,985,618}$	33.94
2019/2020	$\frac{\text{Actual expenditure} = 2,576,298,827 \times 100}{\text{Total Programme Cost } 12,721,985,618}$	20.25
2018/2019	$\frac{\text{Actual Expenditure} = 1,038,264,614 \times 100}{\text{Total Programme Cost } 12,721,985,618}$	8.2
2017/2018	$\frac{\text{Actual Expenditure} = 255,769,988 \times 100}{\text{Total Programme Cost } 11,065,854,281}$	2.3

v) Implementation Challenges

- Acquisition of Programme land and way leave due to inadequate allocation of GoK Counterpart fund.
- Delay in disbursements of allocated GoK Counterpart funds.
- Delay in approval for acquisition of land easement from Nyayo Tea Zone, Kenya Forest Services and Kenya Wildlife Services.
- Insecurity particularly in Mandera.

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vi) Recommended Way Forward

- (i) Engaging the Ministry of Water, Sanitation and Irrigation in ensuring that in FY 2022/2023 there is adequate budgetary allocation for land and way leave acquisition.
- (ii) Engaging the Ministry of Water, Sanitation and Irrigation in ensuring that allocated funds are disbursed in time.
- (iii) The Agency has engaged the Ministry of Water, Sanitation and Irrigation to engage with other government Agencies on matters of land easement.
- (iv) The Agency has engaged the National Government Administration Offices in Mandera to ensure the contractor is safe.

1.9 Summary of Programme Compliance

- i) The Programme complied with all applicable Laws and Regulations therefore no consequence was /is likely to be suffered on account of non-compliance.
- ii) There were no mitigation measures taken or planned to be taken as there were no adverse effects of actual or potential consequence of non-compliance.
- iii) The Agency ensures compliance with the requirement before commencement of a Programme.

2. Statement of Performance Against Programme's Predetermined Objectives

Introduction

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

The main objective of the programme is to improve the access, quality, availability and sustainability of water supply and wastewater management services in multiple towns in Kenya, with a view to catalyzing commercial activities, driving economic growth, employment creation, improving quality of life of the people and building resilience against climate variability and change. The programme objective will be achieved through:

- i) Construction and rehabilitation of water supply and sanitation infrastructure (including expansion into informal settlements) for improved water and sanitation services; and
- ii) Capacity development of water service providers, the sector regulator for improved service efficiency and women and youth for increased employment opportunities.

The key development objective of the Programmes 2017-2023 plans are to:

- a) To improve the access, quality, availability and sustainability of water supply services in 9 No. towns with a view to catalyzing commercial activities, driving economic growth and employment creation.
- b) To improve the access to wastewater management services in 9 No. towns with a view to catalyzing commercial activities, driving economic growth, employment creation.
- c) To build resilience against climate variability and change
- d) To build capacity of 5 No. Water Service Provider

Progress on attainment of strategic development objectives

For the purpose of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement:

Below we provide the progress on attaining the stated objectives;

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Project	Objective	Outcome	Indicator	Performance
Kerugoya-Kutus Water Supply Project.	To improve the access, quality, availability and sustainability of water with a view to catalysing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	% of people with access to piped water	In FY 2021/2022 the Works implemented overall was 57% consisting of construction of: 20,000 m ³ Kiringa Intake, 10,000m ³ Thiba Intake Raw Water Mains for Kiringa DN 450 GRP pipes 1.7km and Thiba DN 300 GRP pipes 4.3km, 30,000 m ³ /day capacity Muratiri Treatment works, 3 No. Storage tanks (Kanjogu- 2,000m ³ , Gakoigo 3,000m ³ and Sagana 1500m ³) and 56.5 km transmission Mains ranging from Diameter 500mm-250mm GRP/HDPE pipes.
Kerugoya-Kutus Sewerage Project	To improve the access to wastewater management services in with a view to catalysing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2021/2022 the overall works implemented was 76% consisting of construction of: 3000m ³ capacity Wastewater Stabilization Ponds, 32.085km of Diameter ranging from 700-225mm Trunk Sewer Mains and ancillary Works
Chuka Water Supply Project	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities,	Improved Water Supply Services	% of people with access to piped water	In FY 2021/2022 the overall works implemented was 30% consisting of construction of: 15,000 m ³ /day

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Project	Objective	Outcome	Indicator	Performance
	driving economic growth and employment creation.			capacity Kirege Treatment works
Chuka Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2021/2022 the overall works implemented was 53% consisting of construction of: 1,100m ³ /day capacity Ntutuni Wastewater Stabilization Ponds, Trunk Sewer Mains/Secondary Sewers of pipes Diameters ranging from 200-400mm DWC of length 38km and ancillary works
Chogoria Water Supply Project	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	% of people with access to piped water	In FY 2021/2022 the overall works implemented was 97% consisting of construction of: South Mara Intake- 15,000m ³ , 2 KM Raw Water Mains, 15,000m ³ /day Kibaranu Treatment works, 13.6km Transmission mains ranging from 350mm to 200mm ferrous pipes and 3 No. Storage tanks (Kianjagi-1000m ³ , Kairuni-500m ³ and Iruma-100m ³)
Chogoria Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2021/2022 the overall works implemented was 54% consisting of construction of: 550m ³ /day Capacity Wastewater Stabilization Ponds, and ancillary ,300-200mm Diameter

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Project	Objective	Outcome	Indicator	Performance
				length 29km Trunk Sewer Mains/ Secondary Sewers.
Meru Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2021/2022 the overall works implemented was 51% consisting of construction of:8,000m ³ /day Capacity Wastewater Stabilization Ponds, Diameter 600-300mm DWC pipes Trunk Sewer Mains/Secondary Sewers of length 56km and ancillary works.
Mandera Water Supply Project	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	% of people with access to piped water	In FY 2021/2022 the overall works implemented was 72% consisting of construction of: Intake (2 No Infiltration wells), Rising Mains to Bull Galaas and Water Supply Pipeline - 144 Km of Diameter 450 to 400mm.
Mandera Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2021/2022 the overall Works implemented was 70% consisting of construction of:6,000 m ³ /day capacity Wastewater Stabilization Ponds, 48.5km Trunk Sewer Mains/Secondary Sewers of Diameter 900-160mm PCC pipes and ancillary works
Marsabit Water Supply Project	To improve the access, quality, availability and sustainability of water with a view to catalyzing	Improved Water Supply Services	% of people with access to piped water	In FY 2021/2022 the overall works implemented was 91%

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Project	Objective	Outcome	Indicator	Performance
	commercial activities, driving economic growth and employment creation.			consisting of construction of: Raising Bakuli Dam from 11.5m to 20m, 7 km Dia 200mm rising main Treatment Works of 1,300 M3/Day, New Gravity Main 6km Diameter 150 mm, 3 No Storage Tanks 100m ³ each.
Marsabit Sewerage Project	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2021/2022 the overall works implemented was 82% consisting of construction of: Trunk sewer 4.7km dia ranging from 300-375mm, Secondary sewers 22.7km Diameter 225mm, Sewerage treatment works capacity-5700m ³ /da
Garissa Water Supply Project-Last Mile Connectivity	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	% of people with access to piped water	In FY 2021/2022 the overall works implemented was 100% consisting of construction of: 4 No. Boreholes Drilled and 2 No Rehabilitated, 6km cement lined Steel pipes of Diameter 300mm Water Supply lines and Construction of 3 No. elevated steel Storage tanks of capacity 300m ³ each
Isiolo Water Supply and Sewerage Project-Last	To improve the access, quality, availability and sustainability of water supply and wastewater management services	Improved Water Supply and Sewerage Services	% of people with access to piped water and	In FY 2021/2022 the overall works implemented was 100% consisting of construction of: 9.454 Km of Water

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Project	Objective	Outcome	Indicator	Performance
Mile Connectivity			Sewerage Services	Supply Pipelines of Diameters ranging from 160-63mm HDPE pipes and 12.125Km of sewerage pipelines of diameter 200mm UPVC
Murang'a Urban Water Supply Project-Last Mile Connectivity	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	% of people with access to piped water	In FY 2021/2022 the overall works implemented was 100% consisting of construction of:7 Km Water Supply Pipelines of 280mm Diameter HDPE pipes.
Murang'a South Water Supply Project-Last Mile Connectivity	To improve the access, quality, availability and sustainability of water with a view to catalyzing commercial activities, driving economic growth and employment creation.	Improved Water Supply Services	% of people with access to piped water	In FY 2021/2022 the overall works implemented was 100% consisting of construction of:6 Km Water Supply Pipelines of 160mm Diameter HDPE pipes.
Othaya Sewerage Project-Last Mile Connectivity	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2021/2022 the overall Works implemented was 100% consisting of construction of:1No. Ablution Block, Sludge Drying Bed and 7.8 km Sewerage pipelines UPVC pipes, diameter 200mm.
Construction of Biogas Domes in 3 No.towns	To build resilience against climate variability and change	Resilience against climate variability and change	% of reduction of emission of Greenhouse Gases	Consultant engaged to undertake Detailed design
Construction of Landfill cell for Meru Town	To build resilience against climate variability and change	Resilience against climate	% of people with access to solid	Due to Unavailability of Land to construct Land fill cell in Meru, AfDB

Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Programme
Annual Report and Financial Statements for the Financial Year Ended June 30 2022

Project	Objective	Outcome	Indicator	Performance
		variability and change	waste management services	has approved for re-allocation of funds to extend sewer lines in Othaya Sewerage Last Mile connectivity project in FY 2022/2023.
Procurement of Exhausters	To build capacity of water service providers	Improved Capacity of Water Service Providers towards service provision	% of people with access to sewerage services	8 No. Exhausters were procured and handed over to 5 Water Companies
Procurement of Water Meters and Leak Detection Equipment	To build capacity of water service providers	Improved Capacity of Water Service Providers towards service provision	% of Reduction of Non-Revenue Water	At Procurement stage in FY 2021/2022
Procurement of Enterprise Resource Systems	To Build Capacity of 2 No. Water Works Development Agencies	Improved Capacity of Water Works Development Agencies in Business Processes	Automation of Business Processes	During the FY 2021/2022 the Contractor Installed ERP Hardware. The overall works implementation is at 70%.
Training of Water Works Development Agency and Water Service Providers Staff	To build capacity of Works Development Agency and Water Service Providers Staff	Improved Capacity of WWDA and WSP in Human Resource	No of WWDA and WSP Staff Trained	Activity ongoing
Consultancy for Nanyuki town Sewerage extension	To improve the access to wastewater management services in with a view to catalyzing commercial activities, driving economic growth, employment creation.	Improved Sanitation Services	% of people with access to sewerage services	In FY 2021/2022 the consultancy design works were in progress. The overall implementation progress was at 20%.

**Tana Water Works Development Agency
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Project	Objective	Outcome	Indicator	Performance
Consultancy for Loiyangalani water and sewerage project	To improve the access to wastewater management services, quality, availability and sustainability of water with a view to catalysing commercial activities, driving economic growth and employment creation.	Improved Water Supply and sanitation Services	% of people with access to piped water and sewer services.	In FY 2021/2022 the consultancy design works were in progress. The overall implementation progress was at 30%.

3. Environmental and Sustainability Reporting

Tana Water Works Development Agency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability:

1. Sustainability strategy and profile

Kenya's economic freedom score is 54.9, making its economy the 138th freest in the 2021 Index. Its overall score has decreased by 0.4 point, primarily because of a decline in judicial effectiveness. TWWDA is cognizant of the fact that developing strong relationships with suppliers helps ensure that they are operating sustainably, that contracts are fair and that the business it conducts with them is mutually beneficial. The Agency is funding the drilling and equipping of boreholes, tanks and water kiosks, pump installation, laying pipes and construction of communal water points. The Agency believes that reforestation will play a crucial role in reducing our carbon footprint and in curbing air pollution. We have therefore made a strategic decision to become a major partner in the afforestation and reforestation programmes in Kenya

Kenya's political situation has relatively remained stable thus allowing the Agency to continue implementing the government's "Big Four Agenda" that aims to provide Universal Healthcare and affordable housing, increase manufacturing and improved food security. The programmes involved development of water and sewerage infrastructure. The Agency acknowledges its responsibility to society in its capacity as a corporate citizen. Consequently, it endeavors to play an active role in national and regional matters as per its mandate besides contributing to various worthy causes. In the financial year under review, the Agency continued to offer technical support and capacity building to different stakeholders in the water sector, particularly the county governments to facilitate access to safe and clean water in adequate quantities. The Agency has utilized criteria of good practices fulfilling human rights obligations related to access to safe drinking water and sanitation mandated by the Human Rights Council. The criterion includes availability, accessibility, Quality/safety, participation and accountability.

2. Environmental performance

Our environmental sustainability programmes address local water challenges through increased water and energy efficiency. The Agency has put in place climate change adaptation initiatives such as renewable energy (solar) for back washing. Through a combination of employee engagement, operational efficiencies and creative engineering Programmes, the Agency works throughout its sites to improve water and energy efficiency. Rain water harvesting structures and interventions on reducing waste in the Agency have been put in place.

3. Employee welfare

To effectively continue delivering on its mandate the Agency continues to implement its human resource strategies to develop its staff. This entailed: staff training, team building, improving working environment, decongesting the offices, enhancing performance management, succession management and enhancing knowledge management. The Agency has ensured a gender ratio of 1:2 for female to male. The Agency is firmly committed to ensuring the occupational health, safety

and well-being of our employees, contractors and visitors. Our commitment to occupational health and safety is underpinned by our core values: "Good governance", and "customer-focus".

4. Market place practices

The Agency outlined its efforts to: -

a) Responsible supply chain and suppliers relations

The Agency commits to ensure ease of doing business by promptly making payments to its suppliers thus improving its Agency-Supplier relationship.

b) Responsible ethical practices

The Agency is committed to promoting and adhering to the highest standards of probity and accountability in the use of its funding and takes a zero-tolerance stance towards cases of fraud and corruption in its activities and operations, both within the institution and under its Programmes and programmes. To this end the Agency has developed and implemented four anti-corruption policies and continues to train staff both at the Agency and Water Service Provider. The Agency also ensures to remain apolitical in its endeavors.

c) Regulatory impact assessment

The Agency educates its stakeholders and makes them aware of their responsibilities and rights. Consumers must work united, to promote and protect their own interest. As the Agency designs and implements its water and sanitation infrastructure Programmes, it ensures that there is minimal impact on the environment. Environmental Social Impact Assessment is undertaken in all Programmes before implementation takes place.

5. Community Engagements

Working with our partners, local stakeholders and the communities themselves, the Agency contributes to community sustainability by providing local jobs in our Programmes, fostering an enterprise culture throughout our value chain, sourcing from local businesses (promoting local content in procurement) where feasible and addressing local concerns through community investment programmes. We undertake this through our stakeholder engagement framework that supports a wider, holistic approach to local economic development driven by the following focus areas; Water access: Water is life. There are many communities in the Agency area of jurisdiction that have no access to clean and safe water. This is due to reasons such as lack of rainfall and poor infrastructure. In response to this, the Agency has continuously partnered with various agencies in the provision of safe, reliable and sustainable water supply to communities living in water-stressed areas. We continue to invest heavily in water Programmes that have positive and long-term impact on thousands of people by: reducing the incidence of water-borne diseases and by releasing time otherwise spent by women and children in search of water for alternative income generating activities. The Agency promotes healthcare through provision of safe and clean water and enhanced sanitation that ensures reduction in water borne diseases. The Agency's legal and constitutional mandate is development and maintenance of national public water and sanitation works.

4. Statement of Programme Management Responsibilities

The Chief Executive Officer, Tana Water Works Development Agency and the Programme Coordinator for AfDB Programme are responsible for the preparation and presentation of the Programme's Financial Statements, which give a true and fair view of the state of affairs of the Programme for and as at the end of the financial year ended on June 30, 2022.

This responsibility includes:

- i. Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period;
- ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Programme;
- iii. Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statement, and ensuring that they are free from material misstatements, whether due to error or fraud;
- iv. Safeguarding the assets of the Programme;
- v. Selecting and applying appropriate Accounting Policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Chief Executive Officer, Tana Water Works Development Agency and the Programme Coordinator for AfDB funded programme accept responsibility for the Programme's Financial Statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

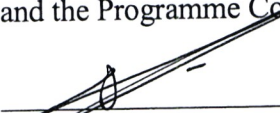
The Chief Executive Officer, Tana Water Works Development Agency and the Programme Coordinator for AfDB funded Programme are of the opinion that the Programme's Financial Statements give a true and fair view of the state of Programme's transactions during the financial year ended June 30, 2022, and of the Programme's financial position as at that date. The Chief Executive Officer, Tana Water Works Development Agency and the Programme Coordinator for AfDB funded programme further confirm the completeness of the accounting records maintained for the Programme, which have been relied upon in the preparation of the Programme Financial Statements as well as the adequacy of the systems of internal financial control.

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


**Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Programme
Annual Report and Financial Statements for the Financial Year Ended June 30 2022**

Approval of the Programme Financial Statements

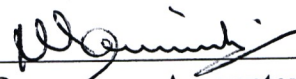
The Programme Financial Statements were approved by the Chief Executive Officer for TWWDA and the Programme Coordinator for AfDB funded Programme on **30/08/2022** and signed by them.



Chief Executive Officer
Name: Eng. Philip Gichuki



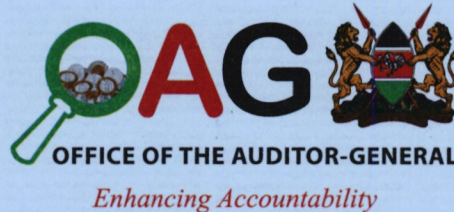
Programme Coordinator
Name: Arthur Mamo



Programme Accountant
Name: CPA Nicholas Kariuki
ICPAK Member Number: 6863

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON KENYA TOWNS SUSTAINABLE WATER SUPPLY AND SANITATION PROGRAMME (AfDB LOAN NO.2000200000501) FOR THE YEAR ENDED 30 JUNE, 2022 - TANA WATER WORKS DEVELOPMENT AGENCY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Towns Sustainable Water Supply and Sanitation Programme set out on pages 1 to 23, which comprise the

statement of financial assets as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and the statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter 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 Kenya Towns Sustainable Water Supply and Sanitation Programme as at 30 June, 2022, 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 Loan Agreement No.2000200000501 dated 09 January, 2017 and subsequent subsidiary agreement dated 29 September, 2017 between the African Development Bank (AfDB) and the Republic of Kenya and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Acquisition of Land - Lack of Ownership Documents

The statement of receipts and payments reflects acquisition of non-financial assets expenditure of Kshs.19,952,948 and Kshs.76,755,500 all totalling to Kshs.96,708,448 which, as disclosed in Note 4(a) and (b) to the financial statements. The expenditure includes an amount of Kshs.89,767,498 in respect of acquisition of land. However, although the sale agreements with the vendors for the respective parcels of land were provided for audit verification, title deeds for fully paid and partly paid land had not been acquired.

In the circumstances, the ownership status of the parcels of land could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matter

As previously reported, ownership status for parcels of land valued at Kshs.186,821,596 could not be confirmed as 30 June, 2021. However, audit verification carried out in the

month of September, 2022 revealed that title deeds for parcels of land valued at Kshs.7,325,775 had not yet been acquired, and therefore the matter remains unresolved.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Delay in Projects Implementation

As previously reported, available information and contract agreements for the current works implemented by both the Tana Water Works Development Agency and the Northern Water Works Development Agency show that various contract agreements for the implementation of the Projects were signed in 2018 and early 2019 with completion dates set for June and July, 2020. However, by 30 June, 2020 the projects were not completed leading to revision of the completion dates to November and December, 2021. The projects were not completed by 30 June, 2022, and the completion dates were further extended to between December, 2022 and March, 2023. Review of the project status report dated 31 August, 2022, indicated that five (5) out of sixteen (16) projects were less than 60% complete by 31 August, 2022, three years and six months to March, 2023, the end of the contract period.

Further, during the year under review, ten (10) projects with a contract sum of Kshs.6,368,017,899 were visited for verification in the month of September, 2022. Three projects with a total contract sum of Kshs.2,298,019,476 had satisfactory progress. However, seven (7) projects with a contract sum of Kshs.4,069,998,423 had not been satisfactorily executed and had overall completion levels ranging between 51 % and 76%. There is risk of significant number of works not being completed within the contract period which may result in cost escalations.

Although the Management attributed the delay in implementation of the projects to failure to obtain tax exemption and inadequate counterpart funding, no evidence was provided on measures being taken to forestall the recurrence of a similar situation.

Delay in projects completion continues to deny the key stakeholders including the citizens the benefits that were to arise from the projects.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by African Development Bank Loan Agreement No. 2000200000501 dated 09 January, 2017, I report based on my audit, that:

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

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Programme'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 Programme 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 and business activities of the Programme to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 October, 2022

Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Programme
Annual Report and Financial Statements for the Financial Year Ended June 30 2022

6. Statements of Receipts and Payments for the Year Ended 30 June 2022

	Note	2021/2022			2020/2021		Total	*Cumulative to date
		Receipts and Payments controlled by TWWDA	Payments made by ADB	Total	Receipts and Payment controlled by TWWDA	Payments made by ADB		
RECEIPTS		KES	KES	KES	KES	KES	KES	KES
Transfers from Government Entities	1 Pg 10	350,000,000	-	350,000,000	175,000,000	-	175,000,000	964,873,884
Loan from External Development Partners	2a Pg 10	-	1,088,439,951	1,088,439,951	-	658,094,146	658,094,146	2,738,754,234
Loan from External Development Partners	2b Pg 10	-	1,186,461,068	1,186,461,068	-	754,233,908	754,233,908	3,239,211,389
TOTAL RECEIPTS		350,000,000	2,274,901,019	2,624,901,019	175,000,000	1,412,328,054	1,587,328,054	6,942,839,507
PAYMENTS								
Purchase of Services	3a Pg 10		96,293,198	96,293,198		66,239,644	66,239,644	298,695,863
Purchase of Services	3b Pg 10		83,136,377	83,136,377		30,774,366	30,774,366	237,186,343
Acquisition of Non-Financial Assets	4a Pg 11	19,952,948	992,146,753	1,012,099,701	31,904,151	591,854,502	623,758,653	2,612,422,140
Acquisition of Non-Financial Assets	4b Pg 11	76,755,500	1,103,324,691	1,180,080,191	154,917,445	723,459,542	878,376,987	3,263,144,375
Project Administrative Costs	5 Pg 11	60,227,532		60,227,532	4,174,933		4,174,933	200,011,688
Land Easement and Wayleaves	5 Pg 11	193,084,303		193,084,303	138,294,783		138,294,783	331,379,086
TOTAL PAYMENTS		350,020,283	2,274,901,019	2,624,921,301	329,291,312	1,412,328,054	1,741,619,366	6,942,839,495
SURPLUS/(DEFICIT)		(20,283)	-	(20,283)	(154,291,312)	-	(154,291,312)	12

*Cumulative to date figures are tabulated as follows:

Receipts	Note	FY 2021/2022	FY 2020/2021	FY 2019/2020	FY 2018/2019	FY 2017/2018	Cumulative to date
		KES	KES	KES	KES	KES	KES
Transfers from Government Entities	1 Pg 10	350,000,000	175,000,000	300,000,000	75,000,000	64,873,884	964,873,884
Loan from External Development Partners	2a Pg 10	1,088,439,951	658,094,146	769,128,459	107,915,889	115,175,789	2,738,754,234
Loan from External Development Partners	2b Pg 10	1,186,461,068	754,233,908	623,217,361	599,578,737	75,720,315	3,239,211,389
Total		2,624,901,019	1,587,328,054	1,692,345,820	782,494,626	255,769,988	6,942,839,507
Payments							
Purchase of Goods and Services	3a Pg 10	96,293,198	66,239,644	13,099,232	7,888,000	115,175,789	298,695,863
Purchase of Goods and Services	3b Pg 10	83,136,377	30,774,366		47,555,285	75,720,315	237,186,343
Acquisition of Non-Financial Assets	4a Pg 11	1,012,099,701	623,758,653	825,968,544	125,577,784	25,017,458	2,612,422,140
Acquisition of Non-Financial Assets	4b Pg 11	1,180,080,191	878,376,987	652,663,745	552,023,452	-	3,263,144,375
Project Administrative Costs	5 Pg 11	60,227,532	4,174,933	59,855,642	35,897,155	39,856,426	200,011,688
Land Easement and Wayleaves	5 Pg 11	193,084,303	138,294,783	-	-	-	331,379,086
Total		2,624,921,301	1,741,619,366	1,551,587,163	768,941,676	255,769,988	6,942,839,495

Notes

2a, 3a, & 4a Relates to Tana Water Works Development Agency

2b, 3b, & 4b Relates to Northern Water Works Development Agency

The accounting policies and explanatory notes from page 5 to 13 to these financial statements are an integral part of the financial statements.

Chief Executive Officer

Name: Eng. Philip Gichuki

Date: 30/08/2022

Programme Coordinator

Name: Arthur Mamo

Date: 30/08/2022

Programme Accountant

Name: CPA Nicholas Kariuki
ICPAK Member No: 6863

Date: 30/08/2022

Tana Water Works Development Agency
 Kenya Towns Sustainable Water Supply and Sanitation Programme
 Annual Report and Financial Statements for the Financial Year Ended June 30 2022

7. Statement of Financial Assets as at 30 June 2022


Description	Note	2021/2022	2020/2021
		KES	KES
Financial Assets			
Cash and Cash Equivalents			
Bank Balances	6A Pg 11	12	20,295
Cash Balances	6B Pg 11	-	-
Cash Equivalents (short-term deposits)	6C Pg 11	-	-
Total Cash and Cash Equivalents		12	20,295
Accounts receivables – Imprest and Advances		-	-
Total Financial Assets		12	20,295
Represented By			
Fund balance b/f		20,295	154,311,607
Prior year adjustments		-	-
Surplus/(Deficit) for the year		(20,283)	(154,291,312)
Net Financial Position		12	20,295

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/08/2022 and signed by:


 Chief Executive Officer

Name: Eng. Philip Gichuki

Date: 30/08/2022


 Programme Coordinator

Name: Arthur Mamo

Date: 30/08/2022


 Programme Accountant

Name: CPA Nicholas Kariuki

ICPAK Member Number: 6863

Date: 30/08/2022

Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Programme
Annual Report and Financial Statements for the Financial Year Ended June 30 2022

8. Statement of Cashflow for the Year Ended 30 June 2022

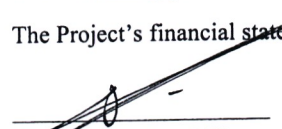
	Note	2021/2022	2020/2021
		KES	KES
Cashflow from operating activities			
Transfer from Government Entities	1 Pg 10	350,000,000	175,000,000
Payments for operating activities			
Purchase of Services	3a Pg10	(96,293,198)	(66,239,644)
Purchase of Services	3b Pg10	(83,136,377)	(30,774,366)
Acquisition of Non- Financial Asset	4a Pg 11	(992,146,753)	(591,854,502)
Acquisition of Non- Financial Asset	4b Pg 11	(1,103,324,691)	(723,459,542)
Project Administrative Costs/Land Easement and Wayleaves	5 Pg 11	(253,311,835)	(142,469,716)
Net cash flow from operating activities		(2,178,212,853)	(1,379,797,770)
Cashflow from investing activities			
Acquisition of Assets	4 Pg 11	(96,708,448)	(186,821,596)
Net cash flows from investing activities		(96,708,448)	(186,821,596)
Cashflow from borrowing activities			
Proceeds from Foreign Borrowings	2a Pg 10	1,088,439,951	658,094,146
Proceeds from Foreign Borrowings	2b Pg 10	1,186,461,068	754,233,908
Net cash flow from financing activities		2,274,901,019	1,412,328,054
Net increase in cash and cash equivalent		-	-
Cash and cash equivalent at beginning of the year		20,295	154,311,607
Cash and cash equivalent at end of the year*		12	20,295

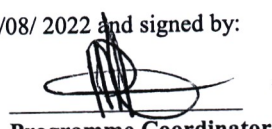
*Reconciliation of cash and cash equivalent at end of the year

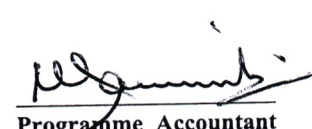
	FY 2021/2022	FY 2020/2021
	KES	KES
Balance b/d	20,295	154,311,607
Receipt from Government	350,000,000	175,000,000
Less: Payments	(350,020,283)	(329,291,312)
Surplus	12	20,295

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

The Project's financial statements were approved on 30/08/ 2022 and signed by:


Chief Executive Officer
Name: Eng. Philip Gichuki


Programme Coordinator
Name: Arthur Mamo


Programme Accountant
Name: CPA Nicholas Kariuki
ICPAK Member No: 6863

Date: 30/08/2022

Date: 30/08/2022

Date: 30/08/2022

Tana Water Works Development Agency
 Kenya Towns Sustainable Water Supply and Sanitation Programme
 Annual Report and Financial Statements for the Financial Year Ended June 30 2022

9. Statement of Comparison of Budget and Actual amounts for the Year Ended 30 June, 2022

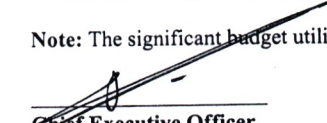
Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=e/c %
Receipts	KES	KES	KES	KES	KES	
Transfer from Government Entities	890,000,000	(540,000,000)	350,000,000	350,000,000	-	0%
Proceeds from Borrowings*	3,425,235,000	(2,336,795,049)	1,088,439,951	1,088,439,951	-	0%
Proceeds from Borrowings**	3,395,285,000	(2,208,823,932)	1,186,461,068	1,186,461,068	-	0%
Total Receipts	7,710,520,000	(5,085,618,981)	2,624,901,019	2,624,901,019		
Payments						
Purchase of Services*	52,396,928	43,896,270	96,293,198	96,293,198	-	0%
Purchase of Services**	62,959,974	20,176,404	83,136,377	83,136,377	-	0%
Acquisition of Non- Financial Assets*	3,372,838,072	(2,380,691,320)	992,146,753	992,146,753	-	0%
Acquisition of Non- Financial Assets**	3,332,325,026	(2,229,000,335)	1,103,324,691	1,103,324,691	-	0%
Other Grants and Transfers ***	890,000,000	(540,000,000)	350,000,000	350,020,283	(20,283)	0%
Total Payments	7,710,520,000	(5,085,618,981)	2,624,901,019	2,624,921,301		


* Relates to Tana Water Works Development Agency

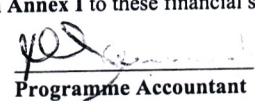
** Relates to Northern Water Works Development Agency

*** Relates to Project Counterpart Expenditure

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


 Chief Executive Officer
 Name: Eng. Philip Gichuki


 Programme Coordinator
 Name: Arthur Mamo


 Programme Accountant
 Name: CPA Nicholas Kariuki
 ICPAK Member Number: 6863
 Date: 30/08/2022

Date: 30/08/2022

Date: 30/08/2022



10 Significant Accounting Policies

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

10.1 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 note below. This cash basis of accounting has been supplemented with accounting for;

- a) Receivables that include imprests and salary advances; and
- b) Payables that include deposits and retentions.

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

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

10.2 Reporting entity

The financial statements are for the Kenya Towns Sustainable Water Supply and Sanitation Programme under The National Government of Kenya.

10.3 Reporting currency

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

10.4 Recognition of receipts

The Programme recognises all receipts from African Development Bank (AfDB) when the event occurs and the related cash has actually been received by the contractor/ consultant.

i. Transfers from the Exchequer

Transfer from Exchequer is being 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 Tana Water Works Development Agency.

ii. External Assistance

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

Significant Accounting Policies (Continued)

iii. Proceeds from borrowing

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

iv. Undrawn external assistance

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

10.5 Recognition of payments

The Programme recognises all payments by AfDB when the event occurs and the related cash has actually been paid out by African Development Bank (AfDB).

i. Compensation to Employees

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

ii. Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are paid.

iii. Interest on borrowing

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

iv. Repayment of borrowing (principal amount)

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

v. Acquisition of fixed Assets

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

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

10.6 In-kind donations

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

10.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

10.8 Imprests and Advances

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

10.9 Pending Bills

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

Significant Accounting Policies (Continued)

10.10 Budget

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

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

10.11 Third party payments

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

During the year KES 2,274,901,019 being loan disbursements received out of which KES 1,088,439,950.74 was direct payment for Tana Water Works Development Agency and KES 1,186,461,068.09 direct payment for Northern Water Works Development Agency.

10.12 Exchange rate differences

The accounting records are maintained in Kenya Shillings which is the functional currency of the primary economic environment in which the Programme operates. Transactions in foreign currencies during the year/period are converted into the functional currency using the following:

- Goods and Works- exchange rates as provided in the individual contracts.
- Consultancy Services- exchange rate prevailing during tender evaluation.

Significant Accounting Policies (Continued)

10.13 Comparative figures

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

10.14 Subsequent events

There have been no events subsequent to the Financial year/period end with a significant impact on the financial statements for the year ended June 30, 2022.

10.15 Prior period adjustments

There were no prior period adjustments



11 Notes to the Financial Statements

1. Transfers from Government entities

These represent Counterpart Funding from Government as follows:

	2021/2022	2020/2021	Previous Years	Cumulative to date
	KES	KES	KES	KES
Counterpart Funding through Ministry of Water, Sanitation and Irrigation				
Counterpart funds Quarter 1	256,250,000	175,000,000	31,898,350	463,148,350
Counterpart funds Quarter 2	31,250,000		238,927,835	270,177,835
Counterpart funds Quarter 3	-		29,181,653	29,181,653
Counterpart funds Quarter 4	62,500,000		139,866,046	202,366,046
Total (See Annex 2)	350,000,000	175,000,000	439,873,884	964,873,884

2 (a) & (b) Loan from external development partners

During the financial period to 30 June 2022 we received funding from AfDB in form of loans negotiated by The National Treasury and Planning as detailed in the table below:

Name of Donor	Date received	Amount received in loan currency	Loans received in cash	Loans received as direct payment	Total amount in KES			
					FY 2021/2022	FY 2020/2021	Previous Years	Cumulative to date
					KES	KES	KES	KES
		USD	KES	KES	KES	KES	KES	KES
Loans Received from multilateral Donors								
(a) Africa Development Bank		10,343,771	-	1,088,439,951	1,088,439,951	658,094,146	992,220,137	2,738,754,234
(b) Africa Development Bank		10,965,333	-	1,186,461,068	1,186,461,068	754,233,908	1,298,516,413	3,239,211,389
Total		21,309,104		2,274,901,019	2,274,901,019	1,412,328,054	2,290,736,550	5,977,965,623

- (a) Relates to Tana Water Works Development Agency
 (b) Relates to Northern Water Works Development Agency

3 (a) & (b) Purchase of goods and services

	FY 2021/2022			FY 2020/2021	Previous Years	Cumulative to date
	Payments made by TWWDA in Cash	Payments made by ADB	Total Payments			
	KES	KES	KES	KES	KES	KES
(a) Utilities, Supplies and Services	-	96,293,198	96,293,198	66,239,644	136,163,021	298,695,863
(b) Utilities, Supplies and Services	-	83,136,377	83,136,377	30,774,366	123,275,600	237,186,343
Total	-	179,429,575	179,429,575	97,014,010	259,438,621	535,882,206

- (a) Relates to Tana Water Works Development Agency
 (b) Relates to Northern Water Works Development Agency



Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Programme
Annual Report and Financial Statements for the Financial Year Ended June 30, 2022
Notes to Financial Statements (Continued)

4 (a) & (b) Acquisition of Non-Financial Assets

	FY 2021/2022			FY 2020/2021	Previous Year	Cumulative to-date
	Payments made by TWWDA in Cash	Payments made by ADB	Total Payments			
	KES	KES	KES	KES	KES	KES
(a) Acquisition of Land	13,011,998	-	13,011,998	31,904,151	120,506,670	165,422,819
(a) Payments for Works*	6,940,950	992,146,753	999,087,703	591,854,502	856,057,116	2,446,999,321
Sub Total	19,952,948	992,146,753	1,012,099,701	623,758,653	976,563,786	2,612,422,140
(b) Acquisition of Land	76,755,500	-	76,755,500	154,917,445	29,446,384	261,119,329
(b) Payments for Works	-	1,103,324,691	1,103,324,691	723,459,542	1,175,240,813	3,002,025,046
Sub Total	76,755,500	1,103,324,691	1,180,080,191	878,376,987	1,204,687,197	3,263,144,375
Total	96,708,448	2,095,471,443	2,192,179,891	1,502,135,640	2,181,250,983	5,875,566,514

(a) Relates to Tana Water Works Development Agency

(b) Relates to Northern Water Works Development Agency

*KES 1,939,947 paid by TWWDA relates to construction of small diameter water distribution for direct consumer connection not factored in the Infrastructure development and KES 5,001,003 relates to works for direct sewer consumer connection not factored in the infrastructure development.

5 Other Grants, Transfers and Payments

	FY 2021/2022			FY 2020/2021	Previous Year	Cumulative to-date
	Payments made by TWWDA in Cash	Payments made by ADB	Total Payments			
	KES	KES	KES	KES	KES	KES
Project Administrative Costs	60,227,532	-	60,227,532	4,174,933	135,609,223	200,011,688
Land Easement and Wayleaves	193,084,303	-	193,084,303	138,294,783	-	331,379,086
Total	253,311,835		253,311,835	142,469,716	135,609,223	531,390,774

6 Cash and Cash Equivalents

	2021/2022	2020/2021
	KES	KES
Bank Account (Note 6 a)	12	20,295
Cash in Hand (Note 6 b)	-	-
Cash and Cash Equivalents (Short-Term Deposit) (Note 11.6 c)	-	-
Total	12	20,295

The Agency operates KCB Bank Account A/C No. 1101-998-733 where GoK Grants for development are deposited.

6 a Bank Account

Project Bank Account

	2021/2022	2020/2021
	KES	KES
Kenya Commercial Bank- A/C No. 1101-998-733	12	20,295
Total	12	20,295

Special Deposit Accounts

The Programme has no Special Deposit Account (SDA)

6 b Cash in hand

There was no Cash in hand during the reporting period

6 c Cash Equivalents (Short-term Deposit)

There were no Short-term Deposit during the reporting period.

7 Imprests and Advances

No Imprest was outstanding as at 30th June 2022.

Tana Water Works Development Agency
 Kenya Towns Sustainable Water Supply and Sanitation Programme
 Annual Report and Financial Statements for the Financial Year Ended June 30, 2022
 Notes to Financial Statements (Continued)

8 Fund balance brought forward

	2021/2022	2020/2021
	KES	KES
Bank Account (Note 6 a)	12	20,295
Cash in Hand (Note 6 b)	-	-
Cash and Cash Equivalents (Short-Term Deposit) (Note 6 c)	-	-
Outstanding imprest and Advances	-	-
Total	12	20,295

12.0 Others important Disclosures

1 Pending Accounts Payable – (See Annex 3a)

Description	Balance b/f FY 2020/2021	Additional for the period	Paid during the year	*Balance c/f FY 2021/2022
	KES	KES		KES
Construction of Civil Works	266,697,235	2,294,030,176	2,095,471,443	465,255,968
Supply of Services- Consultancy	102,111,339	186,917,146	179,429,575	109,598,910
Total	368,808,574	2,480,947,322	2,274,901,019	574,854,878

*Balance c/f 2021/2022

	TWWDA	NWWDA	TOTAL
	KES	KES	KES
Construction of Civil Works	333,439,032	131,816,936	465,255,968
Supply of Services- Consultancy	56,661,233	52,937,677	109,598,910
Total	390,100,265	184,754,613	574,854,877

2 Pending Staff Payables (See Annex 3b)

Description	Balance b/f FY 2020/2021	Additional for the period	Paid for the year	Balance c/f 2021/2022
	KES	KES	KES	KES
Senior Management	N/A	N/A	N/A	N/A
Middle Management	N/A	N/A	N/A	N/A
Unionisable Employees	N/A	N/A	N/A	N/A
Total	-	-	-	-

3 Other Pending Payables - Acquisition of land pending accounts payable.(See Annex 3c)

Description	Balance b/f FY 2020/2021	Additional for the period	Paid for the year	Balance c/f 2021/2022
	KES	KES	KES	KES
Acquisition of Land Commitment	133,835,953	38,554,680	61,290,946	111,099,687
Total	133,835,953	38,554,680	61,290,946	111,099,687

Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Program
Annual Report and Financial Statements for the Financial Year Ended June 30, 2022
4 External Assistance

	FY 2021/2022	FY 2020/2021
Description	KES	KES
External assistance received as loans from African Development Bank	2,274,901,019	1,412,328,054
Total	2,274,901,019	1,412,328,054

4a External assistance relating to loan and grants

	FY 2021/2022	FY 2020/2021
Description	KES	KES
External assistance received as loans from African Development Bank	2,274,901,019	1,412,328,054
External assistance received as grants	-	-
Total	2,274,901,019	1,412,328,054

4b Undrawn external assistance

Description	Purpose for which the undrawn external assistance may be used	FY 2021/2022	FY 2020/2021
		KES	KES
Undrawn external assistance- loans	Purchase of services and acquisition of Non-Financial Assets	5,020,190,944	7,295,091,963
Undrawn external assistance- grants		-	-
Total		5,020,190,944	7,295,091,963

4c Class of External Assistance

	FY 2021/2022	FY 2020/2021
Description	KES	KES
Multilateral Donor -African Development Bank	2,274,901,019	1,412,328,054
Total	2,274,901,019	1,412,328,054

The external assistance was for infrastructure development.

4d Purpose and Use of External Assistance

Payments by Third Parties	FY 2021/2022	FY 2020/2021
	KES	KES
Use of Goods and Services	179,429,575	97,014,010
Acquisition of Non -Financial Assets	2,095,471,443	1,315,314,044
Total	2,274,901,019	1,412,328,054

4e External assistance paid by third parties on behalf of the Entity by Sources

	FY 2021/2022	FY 2020/2021
Description	KES	KES
Multilateral Donor- African Development Bank	2,274,901,019	1,412,328,054
Total	2,274,901,019	1,412,328,054

13. Prior Year Auditor- General's Recommendations

The following is the summary of issue raised by the Office of the Auditor General, and management comment that were provided to the auditor. We have nominated focal person to resolve the issue as shown below with the associated time frame within which we expect the issue to be resolved.

Reference No of the internal audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status (Resolved/ Not Resolved)	Time Frame
	<p>Cash & Cash Equivalent As pointed out in the previous year, the statement of financial assets as at 30th June ,2021 reflects bank balances of Kshs. 20,295, However the implementing Agency did not open the programmes bank account for purposes of receiving and accounting for counterpart funds as required under article I Section 1.2 (j) of the Subsidiary Loan Agreement. The implementing Agency operates one development Account No.1101998773 into which all development funds are received and accounted for. A review of the cashbook, bank reconciliation statements and breakdown schedule for the development Account No.1101998773 revealed that the account had a closing balance of Kshs. 401,562,709.94 as at 30th June 2021 out of which an amount of Kshs. 20,295 could not be ascertained in the absence of a separate bank account for the programme. The management has not provided satisfactory explanation for failing to open the programmes bank account to avoid commingling of funds with those intended for other GoK Development projects being implemented by Tana Water Works</p>	<p>Kenya Towns Sustainable Water and Sanitation Programme is an ADB funded Programme where ADB has loaned the GoK loan to undertake implementation of Water and Sanitation Infrastructure in various towns in Kenya. The Loan is either AIA or Revenue. In case of AIA the Loan is accessed through direct payments where payment documents are forwarded to ADB and ADB pays the Contractors/Supplier/Consultant directly in which case the GoK is not required to open a Subsidiary Loan Account with Central Bank. In case of Revenue the GoK receives the Loan amount from ADB in which case the GoK is required by ADB to open a subsidiary loan account at the Central Bank where the loan amount is deposited by ADB before the The National Treasury disburses the same to the Ministry of Water, Sanitation and Irrigation. This is to ensure compliance with clause 3.5 of Subsidiary Loan</p>	Chief Manager, Finance & Resource Mobilization		

Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Programme
Annual Report and Financial Statements for the Financial Year Ended June 30 2022

Reference No on the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status (Resolved/ Not Resolved)	Time Frame
	Development Agency.	<p>Agreement. The Kenya Towns Sustainable Water Supply and Sanitation Programme loan on lent to TWWDA is AIA and therefore does not involve funds disbursed directly to the Agency and payment documents from Contractors/Consultants/Suppliers are forwarded to ADB through the Ministry of Water and The National Treasury for payment directly by ADB to the beneficiary. In this regard clause 1.2j of the Subsidiary Loan Agreement does not apply to TWWDA as no loan amount is received by the Agency and the issue of opening a separate Project Account for this Programme does not apply. <i>It is important to note that Clause 1.2j of the Subsidiary Loan Agreement applies to the implementing Agency in this case the Water Works and Clause 3.5 applies to The National Treasury and not the implementing Agency.</i></p>			
2	<p>Acquisition of land -Lack of Ownership Documents The statement of receipts and payments for the period ended 30th June 2021 reflects acquisition of non -Financial assets expenditure of Kshs 31,904,151 and Kshs 154,917,445, all totaling to Kshs 186,821,596 in respect of</p>	<p>The Amount of KES 31,904,151 relates to Land Acquired by TWWDA for implementation of projects as follows</p> <p>2.1 Chogoria Water and Sewerage Infrastructure KES 8,344,382.</p>	Principal Legal Officer	Out of KES 8,344,832 for Chogoria	

Tana Water Works Development Agency
Kenya Towns Sustainable Water Supply and Sanitation Programme
Annual Report and Financial Statements for the Financial Year Ended June 30 2022

Referen No the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status (Resolved/ Not Resolved)	Time Fram e
	<p>acquisition of land and as disclosed under note 10.6(a) & (b) to the financial statements. Included in this amount is Kshs 169,940,630 and Kshs 16,880,966 for fully paid and partly paid parcels of land respectively. However, although the sale agreements with the vendors for the respective parcels of land were provided for audit verification, there was no evidence that title deeds have been acquired.</p> <p>In the circumstances its has not been possible to ascertain the ownership status of the parcel of land amounting to Kshs 186,821,596.</p>	<p>This amount relates to only 40% of the land value, 60% of land value was outstanding as at 30th June 2021 due to pending succession issues which are undergoing court process. The parcels of land were gazetted on 13th August 2021 via gazette notice No. In addition, the land owners relocated from the land as per terms of the sale agreements and the payment thereof will be paid upon transfer of land to the Agency at which point the Title Deeds shall be issued so the issue of lack of ownership documents does not arise at this point.</p> <p>2.2 Chuka Water and Sewerage Infrastructure KES 23,559,769.</p> <p>This amount relates to only 40% of the land value, 60% of land value was outstanding as at 30th June 2021 due to pending succession issues which are undergoing court process. In addition, the land owners relocated from the land as per terms of the sale agreements and the payment thereof will be paid upon transfer of land to the Agency at which point the Title Deeds shall be issued so the issue of lack of ownership documents does not arise at this point.</p>		<p>Water and Sewerage Infrastructure land parcels amounting to KES 1,769,057 have been transferred to TWWDA.</p> <p>Land parcels amounting to KES 6,575,775 are pending succession suit in court.</p> <p>Out of KES 23,559,769 for Chuka Water and Sewerage Infrastructure land parcels amounting to KES 22,809,769 have been transferred to TWWDA.</p> <p>Land parcels amounting to KES 750,000 are pending succession suit in court.</p>	

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Reference No on the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status (Resolved/ Not Resolved)	Time Frame
		<p>The Amount of KES 154,917,445 relates to Land Acquired by TWWDA for implementation of Mandera Water & Sewerage Infrastructure.</p> <p>2.3 The acquired parcels of land do not have title deeds since the land regime in Mandera area is that of community land and ownership is through allotment letters. Payments were made basing on the allotment letters and the management is following up on the transfer of the allotments to NWWDA name.</p>		The ownership documents have since been provided and in custody of TWWDA.	

Other Matters

1	<p>Pending Bills Note 12.1 to the financial statements reflects pending bills amounting to Kshs 368,808,574 as at 30th June 2021. Included in this amount is Kshs 142,499,942 that has been outstanding for a period of more than six months as at 30 September 2021 despite the fact that payment requests had been forwarded to the Parent Ministry for onward transmission to National Treasury. No satisfactory explanation was given for non-payment of the pending bills. As a result, the project is at risk of incurring additional significant interest costs and penalties with continued delay in making payments</p>	<p>3.1 Long Outstanding Pending Bills – KES 142,499,942 In the FY 2020/2021 the management requested for a budgetary allocation of KES 4.7 billion but was only allocated KES 1.5 billion thereby resulting to pending bills under the direct payment due to budget shortfall. The management is liaising with the Parent Ministry to ensure there is adequate budgetary allocation for the ADB funded Project in the subsequent years. The long outstanding pending bills of KES 142,499,942 have since been cleared by AfDB during</p>	Chief Manager, Finance & Resource Mobilization	The management is liaising with the Parent Ministry to ensure there is adequate budgetary allocation for the ADB funded Project in the subsequent years. The long outstanding pending bills of KES 142,499,942 have since	
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Referen No the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status (Resolved/ Not Resolved)	Time Fram e
		the first quarter of FY 2021/2022.		been cleared by AfDB during the first quarter of FY 2021/2022	
	<p>Budgetary Control and Performance During the year under review, the Programme had an approved total expenditure budget of Kshs. 1,800,000,000 against the actual expenditure of Kshs. 1,741,619,366 translating to 97% budget implementation. Similarly, out of the budgeted receipts of Kshs. 1,800,000,000 the Programme received Kshs. 1,587,328,054 or 88%. Management has attributed the shortfall in receipts to delay in disbursement of the 4th quarter allocation and unfinalized payment documents submitted to the parent Ministry for onward transmission to The National Treasury. However, evidence of the measures put in place to avoid any future delays was not provided.</p>	<p>The management made effort in requesting for release of GoK Counterpart funds for second, third and fourth quarters from the Parent Ministry. In addition, the management will follow on the payments submitted to the Parent Ministry to ensure they are paid promptly. The GoK Counterpart funds for second, third and fourth quarters have since been released by the parent ministry during the first quarter of FY 2021/2022.</p>	<p>Chief Manager, Finance & Resource Mobilization</p>	<p>The GoK Counterpart funds for second, third and fourth quarters have since been released by the parent ministry during the first quarter of FY 2021/2022.</p>	
Report on Lawfulness and Effectiveness in use of Public Resource					
	<p>Delay in Project Implementation As previously reported, available information and contract agreements for the works being implemented by both Tana Water Works Development Agency and Northern Water Works Development Agency show that various contract agreements for the implementation of the Programmes were signed in 2018 and early 2019 with project dates set for June and</p>	<p>The Management has noted with appreciation the Auditor's findings and is fast tracking completion of the project to ensure that the intended benefit to the community is achieved. The Agency has been holding management meetings with the contractor and also Rapid Results Initiative meetings with officers attached to</p>	<p>Eng. Philip Gichuki Chief Executive Officer</p>	<p>The overall project percentage progress has increased tremendously from then 56% to 77%.</p>	

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Reference No on the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status (Resolved/ Not Resolved)	Time Frame
	<p>July 2020. However by 30th June 2020 the se projects were not complete leading to revision of completion dates to November and December 2021. A review of the project status report dated 31 August 2021 , indicated that ten(10) out of sixteen (16) projects were three months to the end of the contract period.</p> <p>Although the management attributed the delay in implementation of the projects to failure to obtain tax exemption and inadequate counterpart funding, no evidence was been provided on measure being taken to forestall the recurrence of a similar situation.</p>	<p>projects to ensure that the projects are completed in time and the intended benefit to the community is met</p>			

Report on effectiveness of internal controls, Risk Management and Governance

1.0	<p>Projects Verification Chogoria Water Infrastructure:</p> <p>Elevated steel tank had not been constructed</p> <p>Staff houses and administration block were at intel level</p>	<p>It is worth noting that the tanks foundation works were complete at the time of inspection. The tank installation was scheduled to commence on 12th August and be completed on 6th December 2021 in line with the Contractors programme of works. The Contractor is on schedule and the works are anticipated to be complete by end of October 2021.</p> <p>Construction of staff houses and administration block is scheduled to be completed on October 2021 in line with the contractors programme of works.</p>		<p>The tank has been completed and awaiting project handover.</p> <p>The construction of staff houses and admin block has been completed.</p>	
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Reference No of the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status (Resolved/ Not Resolved)	Time Frame
	<p>Wayleaves/land for the sewer line and construction of 500 m³ storage tank at Iruma area had not been granted as the owners were yet to be compensated. Further construction site for storage tank at Kairuni was yet to be identified and valued by the National Land commission.</p> <p>The overall project status was 68% complete and given the problem of wayleaves and acquisition of the land the Project may not be completed by 31st December 2021.</p> <p>Chogoria Sewerage Infrastructure An, inlet Anerobic ponds and sludge beds had not been constructed</p> <p>Administration offices and staff houses not been done</p>	<p>It is important to note that the 100M³ and 500m³ storage tanks at Iruma and Kairuni are 98% and 88% complete respectively. There were challenges in obtaining a land valuer from NLC and TWWDA sought for intervention from the Parent Ministry.</p> <p>There were challenges in wayleaves acquisition due to inadequate counterpart fund allocation and lack of ownership documents to facilitate compensation. This is being resolved through the CDICC and local administration.</p> <p>There were challenges in wayleaves acquisition due to inadequate counterpart fund allocation and lack of ownership documents to facilitate compensation. This is being resolved through the CDICC and local administration.</p> <p>The Administration offices are 47% complete. There was delay in acquisition of land for construction of staff houses due to lack of land ownership documents and inadequate counterpart fund allocation and these have since been provided.</p>		<p>Construction of Iruma and Kairuni BPT are 100% complete.</p> <p>The Overall project completion is at 77%</p> <p>Compensation of affected land parcels is ongoing and 10.6 km has been handed over to the contractor.</p> <p>The construction of staff houses and administrative offices was at 60% and 15% level of completion since the land</p>	

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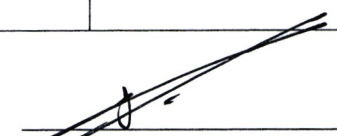
Reference No on the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status (Resolved/ Not Resolved)	Time Frame
	<p>Three acres of land were yet to be procured and the land owners were to provide documents of title of ownership so as to allow compensations.</p> <p>Wayleave of sewer line had not been granted</p> <p>Chuka Sewerage Infrastructure</p> <p>Sewerage line not constructed as a result of non-compensation of land owners for wayleave</p> <p>Construction of Meru Sewerage</p> <p>Access road to the project had not been constructed</p>	<p>There were challenges in obtaining land ownership documents but the Process of acquiring the parcels of land is in Progress</p> <p>There were challenges due to inadequate counterpart fund allocation and in obtaining land ownership documents but the Processing of wayleave compensation is in Progress.</p> <p>There were challenges due to inadequate counterpart fund allocation and in obtaining land ownership documents which is being resolved through the CDICC and Local Administration. Compensation of affected land owners is in progress.</p> <p>Access road will be done after all the earth works for the inlet and anerobic pond 1 is complete to avoid disruptions of the ongoing works. There were challenges in inadequate counterpart fund allocation and wayleaves</p>		<p>was acquired.</p> <p>The land has been acquired and the construction of ponds has commenced. The Overall project completion is at 77%.</p> <p>Compensation of affected land parcels is ongoing and 10.6 km has been handed over to the contractor.</p> <p>Access road is at 80% completion</p> <p>21km of sewerlines Has been constructed.</p>	

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Reference No. of the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status (Resolved/ Not Resolved)	Time Frame
	<p>Fifty-six (56) kms of sewer line were supposed to have been done but only ten (10) kms or 20% had been carried out</p> <p>Wayleave for the sewer line had not been granted as the land owners were yet to provide ownership documents to the Agency to facilitate compensation of the crops/vegetation on their land.</p> <p>Two staff houses and laboratory had been constructed but electrical works had not been carried out.</p> <p>The overall project status was 44% and given that it was only one month to the set completion date of 20th October 2021 there is no likelihood of meeting the set contract end period.</p>	<p>acquisition due to lack of ownership documents to facilitate compensation. This is being resolved through the Agency engaging the County Development Implementation Coordination Committee (CDICC) and local administration. So far 30 kms of the wayleave has been handed over to the Contractor.</p> <p>The Management has engaged the County Development Implementation Coordination Committee chaired by the County Commissioner which holds Bi-weekly meetings to facilitate submission of the required land ownership documents through the local administration.</p> <p>The Power connectivity is in progress as the contractor has applied for 3-Phase connection.</p> <p>There were challenges in wayleaves acquisition due to inadequate counterpart fund allocation and lack of ownership documents to facilitate compensation. This is being resolved through the CDICC and local administration.</p>		<p>Wayleave has been acquired and submission of the remaining ownership documents is ongoing.</p> <p>Construction of the staff houses and Admin block are at 95% complete.</p> <p>The project was granted an extension of time up to 31st December 2023. Currently the project is at 51%</p>	

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Reference No on the external audit report	Issue/Observations from Auditor	Management comments	Focal point person to resolve the issue	Status (Resolved/ Not Resolved)	Time Frame
	<p>Marsabit Sewerage Infrastructure Three (Two Toyota twin cab pickup and a land cruiser) with a total of KES 17,000,000 had not been provided</p> <p>Sewer treatment plan is being constructed on thirty-seven and a half (37.5) acres of land whose title deed has not been processed.</p> <p>Capacity Building with a provisional sum of KES 26,250,000 had not been done.</p> <p>Risk: The cost of the project may increase as a result of delay in implementation</p>	<p>The Contractor has been notified that all subsequent payments will not be processed until the Motor vehicles have been procured. In addition, the Contractor was instructed vide letter Ref.No:Saman/MAR/Lot 2/Vol.1/027 that no further payment will be accepted for hire of project motor vehicles.</p> <p>It is worth noting that the parcel of land where the sewer treatment plant is being constructed was transferred to NWWDA and titles were processed.</p> <p>The management has noted with appreciation the Auditors findings and capacity building is scheduled to commence in November 2021.</p> <p>The cost of the projects will not increase since the requests were evaluated by the Client and Extensions of Time granted without costs pursuant to Clause 8.4 of the General Conditions of Contract.</p>		<p>2 No Double cabin pick-ups have been procured and are in use.</p> <p>Resolved</p> <p>Capacity Building programme is ongoing.</p> <p>Extension of time for the programme has been granted up to 31st December 2023.</p>	


 Chief Executive Officer
 Name: Eng. Philip Gichuki

Date: 30/08/2022


 Programme Coordinator
 Name: Arthur Mamo

Date: 30/08/2022

Annex 1 - Variance Explanations - Comparative Budget and Actual Amounts for FY 2021-2022

	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Variance to Final Budget	Comments on Variance (Below 90% and above 100%)
	a	b	c=a-b	d=c/a %	
Receipts during the Year/Period	KES	KES	KES		
Government of Kenya	350,000,000	350,000,000	-	0%	
External financing	2,274,901,019	2,274,901,019	-	0%	
Total Receipts	2,624,901,019	2,624,901,019			
Payments during the Year/Period					
Purchase of Services*	96,293,198	96,293,198	-	0%	
Purchase of Services**	83,136,377	83,136,377	-	0%	
Acquisition of Non-Financial* Assets	2,095,471,443	2,095,471,443	-	0%	
Gok Counterpart Expenditure	350,000,000	350,020,283	(20,283)	0%	This relates to Funds brought forward from FY 2021-2022.
Total Payments	2,624,901,019	2,624,921,301			

ANNEX 2 Reconciliation of Inter-Entity Transfer

Break down of Transfers from Ministry of Water, Sanitation and Irrigation				
a	Government Counterpart Funding			
		Bank Statement Date	Amount (KES)	FY to which the amounts relate
		09/07/2021	225,000,000.00	FY 2020/2021
		26/08/2021	31,250,000.00	FY 2021/2022
		01/11/2021	31,250,000.00	FY 2021/2022
		20/04/2022	62,500,000.00	FY 2021/2022
			350,000,000.00	
b	Direct Payment			
	Works TWWDA			
	107	21/07/2021	74,903,642.93	FY 2020/2021
	109	07/09/2021	28,526,834.55	FY 2020/2021
	110	09/09/2021	4,643,903.35	FY 2020/2021
	114	07/07/2021	20,381,854.26	FY 2020/2021
	123	21/07/2021	1,226,774.99	FY 2020/2021
	126	07/09/2022	24,968,707.43	FY 2020/2021
	127	06/10/2021	4,064,673.35	FY 2020/2021
	128	17/08/2021	1,128,895.70	FY 2020/2021
	132	17/08/2021	7,752,904.03	FY 2020/2021
	133	18/08/2021	1,701,857.08	FY 2020/2021
	140	14/10/2021	33,133,638.98	FY 2021/2022
	141	15/10/2021	8,283,409.68	FY 2021/2022
	142	08/10/2021	46,800,004.38	FY 2021/2022
	143	08/10/2021	11,700,001.17	FY 2021/2022
	145	03/02/2022	58,521,814.73	FY 2021/2022
	146	07/12/2021	18,734,053.50	FY 2021/2022

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		Bank Statement Date	Amount (KES)	FY to which the amounts relate
	147	08/10/2021	77,688,049.41	FY 2021/2022
	148	11/10/2021	33,294,878.31	FY 2021/2022
	149	14/10/2021	27,436,726.13	FY 2021/2022
	150	15/10/2021	4,466,443.75	FY 2021/2022
	151	14/10/2021	4,061,845.65	FY 2021/2022
	152	15/10/2021	891,624.62	FY 2021/2022
	157	01/02/2022	55,459,200.93	FY 2021/2022
	158	03/02/2022	13,864,800.17	FY 2021/2022
	169	03/02/2022	27,584,091.29	FY 2021/2022
	170	04/02/2022	4,490,433.38	FY 2021/2022
	172	03/02/2022	59,749,891.89	FY 2021/2022
	173	03/03/2022	25,607,096	FY 2021/2022
	175	31/03/2022	21,558,211.79	FY 2021/2022
	176	13/04/2022	5,389,552.93	FY 2021/2022
	177	14/04/2022	31,753,803.67	FY 2021/2022
	178	13/04/2022	7,938,450.83	FY 2021/2022
	190	21/04/2022	34,736,977.22	FY 2021/2022
	191	22/04/2022	32,042,760.72	FY 2021/2022
	192	30/03/2022	5,216,263.39	FY 2021/2022
	193	31/03/2022	31,153,237.90	FY 2021/2022
	194	21/04/2022	7,788,309.47	FY 2021/2022
	195	22/04/2022	549,797.34	FY 2021/2022
	196	16/05/2022	120,687.15	FY 2021/2022
	197	14/03/2022	594,040.92	FY 2021/2022
	200	17/05/2022	49,044,855.98	FY 2021/2022

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		Bank Statement Date	Amount (KES)	FY to which the amounts relate
	201	17/05/2022	21,019,223.92	FY 2021/2022
	206	21/6/2022	39,014,542.91	FY 2021/2022
	207	28/6/2022	23,157,984.4	FY 2021/2022
			992,146,752.58	
	Works NWWDA			
	98	07/09/2021	29,191,726.33	FY 2020/2021
	99	09/09/2021	29,191,726.46	FY 2020/2021
	112	07/09/2021	19,382,827.12	FY 2020/2021
	113	09/09/2021	19,382,827.21	FY 2020/2021
	134	16/09/2021	22,034,129.50	FY 2021/2022
	135	17/09/2021	22,034,129.03	FY 2021/2022
	136	07/09/2021	13,184,699.73	FY 2021/2022
	137	09/09/2021	13,184,699.78	FY 2021/2022
	138	07/09/2021	21,117,254.64	FY 2021/2022
	139	09/09/2021	21,117,255.07	FY 2021/2022
	153	27/10/2021	54,555,618.47	FY 2021/2022
	154	28/10/2021	54,555,618.08	FY 2021/2022
	156	15/11/2021	136,337,021.43	FY 2021/2022
	163	03/02/2022	9,148,136.21	FY 2021/2022
	164	03/02/2022	25,332,190.97	FY 2021/2022
	165	13/04/2022	72,425,661.13	FY 2021/2022
	166	14/04/2022	72,425,661.13	FY 2021/2022
	167	01/02/2022	66,116,553.76	FY 2021/2022
	168	03/02/2022	66,116,553.87	FY 2021/2022
	171	04/02/2022	135,687,266.58	FY 2021/2022
	179	13/04/2022	38,381,271.74	FY 2021/2022

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		Bank Statement Date	Amount (KES)	FY to which the amounts relate
	180	14/04/2022	38,381,272	FY 2021/2022
	181	30/03/2022	45,595,580	FY 2021/2022
	182	31/03/2022	45,595,580	FY 2021/2022
	199	14/03/2022	32,849,431.26	FY 2021/2022
			1,103,324,691	
	Consultancy TWWDA			
	125	13/08/2021	15,556,000.00	FY 2020/2021
	162	25/02/2022	31,552,000.00	FY 2021/2022
	174	03/03/2022	5,288,927.90	FY 2020/2021
	187	14/6/2022	12,078,270.26	FY 2021/2022
	188	22/6/2022	266,000.00	FY 2021/2022
	202	30/6/2022	31,552,000	FY 2021/2022
			96,293,198.16	
	Consultancy NWWDA			
	72	05/05/2022	4,976,757.12	FY 2020/2021
	155	01/03/2022	16,000,000.00	FY 2021/2022
	159	25/02/2022	13,994,405.51	FY 2021/2022
	160	21/03/2022	27,988,811.03	FY 2021/2022
	186	27/5/2022	20,176,403.55	FY 2021/2022
			83,136,377.21	
		Total Direct Payment	2,274,901,019	
		Grand Total (a+b)	2,624,901,019	

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

Programme Coordinator
 Tana Water Works development Agency
 Arthur Mamo



Head of Accounting Unit
 Ministry of Water, Sanitation
 & Irrigation



Annex 3a - Analysis of Pending Bills

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	a	b	c	d=a-c	KES	
	KES		KES	KES	KES	
A Construction of civil works- TWWDA						
1 Nanchang Municipal Engineering Development Group Company Limited Kerugoya Water Supply	194,521,972	01/03/2021	74,903,643.00	119,618,329	74,903,643	
2 Oriental Construction Co Ltd- Murang'a Urban Last Mile	3,386,138	12/04/2021	2,355,670.69	1,030,468	2,603,477	
3 Oriental Construction Co Ltd- Chogoria Water Supply	118,136,761	29/04/2021	62,204,118.00	55,932,643	62,204,118	
4 Oriental Construction Co Ltd- Murang'a South Last Mile	13,201,588	11/05/2021	9,454,761.00	3,746,827	9,454,761	
5 Zhonghao Overseas Construction Engineering Co.-Chuka Sewerage	47,089,174	02/06/2022	20,381,854.00	26,707,320	20,381,854	
6 Zhonghao Overseas Construction Engineering Co.-Chogoria Sewerage	52,536,809	02/06/2022		52,536,809		
7 Zhongmei Engineering co ltd	55,855,979	02/06/2022		55,855,979		
8 Visrom company ltd	18,010,659	26/06/2022		18,010,659		
9 Toddy Civil Engineering	64,232,527		64,232,527			
Sub-Total	566,971,606		233,532,574	333,439,032	169,547,853	
B Supply of Goods and Services -TWWDA						
1 Ecosite Development Consultant- Menu Sewerage	20,844,928	12/04/2021	20,844,928	0	20,844,928	
2 Mangat I B Patel	30,860,676	28/06/2022	12,344,270	18,516,406	0	
3 CAS Consulting Ltd	31,552,000	09/03/2022	31,552,000			
4 Isuzu East Africa Ltd	38,144,827	03/05/2021		38,144,827	38,144,827	
Sub-Total	121,402,431		64,741,198	56,661,233	58,989,755	
C Construction of civil works- NWWDA						
1 Sinohydro Corporation ltd - Marsabit Water Supply	76,709,325	03/02/2021	76,709,325		38,765,654	
2 Sinohydro Corporation ltd -Marsabit Sewerage	123,505,149		123,505,149		58,383,728	
3 Sinohydro Corporation ltd -Mandera Sewerage	100,855,698	07/06/2022		100,855,698		
4 Concordia Building and Civil Eng Co Ltd	30,961,238	14/06/2022		30,961,238		
Sub-Total	332,031,410		200,214,474	131,816,936	97,149,382	
D Supply of Goods and Services-NWWDA						
1 Runji Consultancy	35,860,035	16/09/2020	35,860,035		4,976,757	
2 Isuzu East Africa Ltd	38,144,827	03/05/2021		38,144,827	38,144,827	
3 Kiri Consult Ltd	14,792,850	07/01/2022		14,792,850		
Sub-Total	88,797,712		35,860,035	52,937,677	43,121,584	
Total	1,109,203,158		534,348,281	574,854,877	368,808,574	

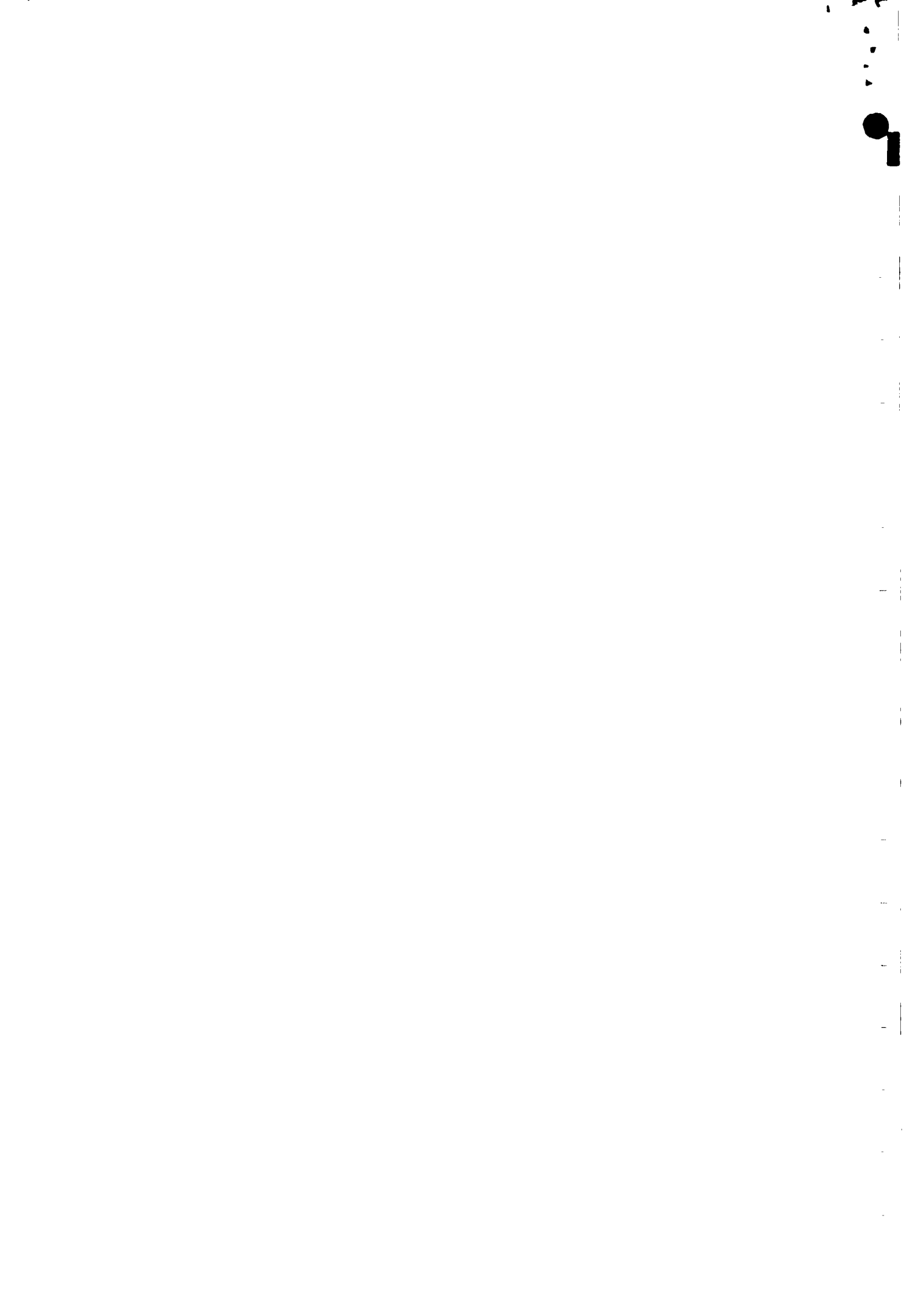
Annex 3b - Analysis of pending staff bills										
During the Financial year 2021/2022 there were no pending staff bills										
Annex 3c - Analysis of other pending payables - Land Acquisition										
Name	Brief Transaction Description	Original Amount	Date Contracted	Payable	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments		
		a	b		c	d=a-c				
Amounts due to Third Parties										
KES										
A Chuka Sewerage Project										
1	Henry Kithinji - Land L.R. Karingani/Ndagani/1938	12,024,685	27 May, 2020		11,701,200	323,485	323,485	60% value of Land		
2	Jedilene Muthoni - Land L.R. Karingani/Ndagani/1938	420,710	27 May, 2020		192,253	228,457	228,457	60% value of Land		
3	Eliphira Kanyua - Land L.R. Karingani/Ndagani/1938	331,710	27 May, 2020		151,583	180,127	180,127	60% value of Land		
4	Janet Mwendu - Land L.R. Karingani/Ndagani/1938	331,710	27 May, 2020		151,583	180,127	180,127	60% value of Land		
5	Purity Mwangi - Land L.R. Karingani/Ndagani/1938	331,710	27 May, 2020		151,583	180,127	180,127	60% value of Land		
6	Julius Mhabu Findenzio- Land L.R. Karingani/Ndagani/11546	3,779,824	11 June, 2020		3,386,927	392,897	392,897	60% value of Land		
7	Mary Njeri - Land L.R. Karingani/Ndagani/1938	200,005	27 May, 2020		91,397	108,608	108,608	60% value of Land		
Sub Total		17,420,354			15,826,526	1,593,828	1,593,828			



Name	Brief Transaction Description	Original Amount	Date Contracted	Payable	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
B Chogoria Sewerage Infrastructure								
1 Ashford Miti Mjurianki - Land L.R. WIMBI/KIRARO/665	Land acquisition for Chogoria Sewerage Project	1,159,579	17 March, 2020		625,832	533,747	533,747	60% value of Land
2 Esther Niagana Mutua - Land L.R. MWIMBI/KIRARO/556	Land acquisition for Chogoria Sewerage Project	2,913,738	31 March, 2020		2,913,738	-	1,601,243	60% value of Land
3 Maingi Chambari - Land L.R. WIMBI/KIRARO/657	Land acquisition for Chogoria Sewerage Project	2,235,717	07 April, 2020		1,381,654	854,063	1,067,495	60% value of Land
Japhet Mwambia Mukinda - Land L.R. WIMBI/KIRARO/732	Land acquisition for Chogoria Sewerage Project	2,446,343	07 April, 2020		1,272,098	1,174,245	1,467,806	60% value of Land
4 Julian Riungu - Land L.R. WIMBI/KIRARO/599	Land acquisition for Chogoria Sewerage Project	4,892,687	07 April, 2020		2,544,187	2,348,500	2,935,612	60% value of Land
5 Beatrice Ndue - Land L.R. WIMBI/KIRARO/655	Land acquisition for Chogoria Sewerage Project	1,334,369	07 April, 2020		693,872	640,497	800,621	60% value of Land
Wilfred Kathanya - Land L.R. WIMBI/KIRARO/656	Land acquisition for Chogoria Sewerage Project	1,556,764	07 April, 2020		1,556,764	-	934,058	60% value of Land
Jackchin Kihuci Lr MWIMBI/MURUGI/2320	Land acquisition for Chogoria Water Supply Project	3,040,000	09 June, 2020		3,040,000	-	1,725,000	60% value of Land
Hellen Kaburi Kairanya -L.R No Mwimbi/KIRARO/147	Land acquisition for Chogoria Sewerage Project	1,000,000	14 September, 2020		520,000	480,000	600,000	60% value of Land
7 Wilfred Michemi Kiaranya -L.R No 147	Land acquisition for Chogoria Sewerage Project	1,643,859	14 September, 2020		1,404,287	239,572	299,465	60% value of Land
8 Nicholas Riungu Kairanya -L.R No Mwimbi/KIRARO/147	Land acquisition for Chogoria Sewerage Project	3,217,009	14 September, 2020		2,977,437	239,572	299,465	60% value of Land
9 Japhet Karuki Kairanya -L.R No Mwimbi/KIRARO/147	Land acquisition for Chogoria Sewerage Project	3,851,673	14 September, 2020		3,612,101	239,572	299,465	60% value of Land
10 James Kairanya -L.R No Mwimbi/KIRARO/147	Land acquisition for Chogoria Sewerage Project	899,465	14 September, 2020		179,893	719,572	899,465	60% value of Land
11 Caroline Wanja Nkonge -L.R No Mwimbi/KIRARO/276	Land acquisition for Chogoria Sewerage Project	30,000	14 September, 2020		-	30,000	30,000	60% value of Land
12 Wilson Mutebebi Nkiria -L.R No Mwimbi/KIRARO/652	Land acquisition for Chogoria Sewerage Project	344,267	14 September, 2020		-	344,267	344,267	60% value of Land
13 Frank Kirugara S Kathumbu -L.R No Mwimbi/KIRARO/273	Land acquisition for Chogoria Sewerage Project	2,523,478	14 September, 2020		1,638,791	884,687	884,687	60% value of Land
14 Timothy Mugendi Kathanya - L.R No Mwimbi/KIRARO/744	Land acquisition for Chogoria Sewerage Project	808,283	14 September, 2020		613,032	195,251	278,930	60% value of Land
15 Andeline Nkurumi Rucha - L.R No Mwimbi/KIRARO/555	Land acquisition for Chogoria Sewerage Project	3,513,699	14 September, 2020		3,513,699	-	1,601,244	60% value of Land
16 Ndumbai Mwangangia - L.R No Mwimbi/KIRARO/555	Land acquisition for Chogoria Sewerage Project	5,297,079	14 September, 2020		5,297,079	-	1,601,244	60% value of Land
17 Calumen Kangai Kaitkenya - L.R No Mwimbi/KIRARO/744	Land acquisition for Chogoria Sewerage Project	200,000	14 September, 2020		116,000	84,000	120,000	60% value of Land
18 Kimathi Kathanya - L.R No Mwimbi/KIRARO/744	Land acquisition for Chogoria Sewerage Project	1,080,383	14 September, 2020		885,132	195,251	278,930	60% value of Land
19 Catherine Kathure Marete	Land acquisition for Chogoria Sewerage Project	4,896,550	07 April, 2021		1,958,620	2,937,930	-	60% value of Land
Sub Total		43,988,392			34,785,596	12,140,726	18,602,744	



Name	Brief Transaction Description	Original Amount	Date Contracted	Payable	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
C	Chogoria Water Project							
1	Loyd Nyaga Land acquisition for Chogoria Water Project	1,000,000	13 March, 2020		400,000	600,000	-	60% value of Land
	Sub Total	1,000,000			400,000	600,000		
D	Marsabit Sewerage Infrastructure							
1	Saleh Salim M Abdulla- Land L.R. Marsabit/Mountain/538	46,362,750	13 March, 2020		16,710,750	29,652,000	37,065,000	80% value of Land
2	Hassan Salim Mohamed- Land L.R. Marsabit/Mountain/56	46,362,750	13 March, 2020		16,710,750	29,652,000	37,065,000	80% value of Land
3	Yusuf Ote Soke- Land L.R. Marsabit/Mountain/55	46,436,750	08 April, 2020		46,436,750	-	37,065,000	
4	Abubakar Salim Baslum- Land L.R. Marsabit/Mountain/539	46,362,750	19 August, 2021		18,545,100	27,817,650	-	60% value of Land
5	Denge Godona Qarbiicha - Land L.R. Marsabit/JIRME/1059	1,292,000	21 December, 2021		521,000	771,000	-	60% value of Land
6	Denge Godona Qarbiicha - Land L.R. Marsabit/JIRME/592	803,100	21 December, 2021		321,240	481,860	-	60% value of Land
7	Fatuma Bagaja - Land L.R. Marsabit/Mountain/53	3,212,400	17 May, 2022		1,284,960	1,927,440	-	60% value of Land
8	Omar Salim - Land L.R. Marsabit/Mountain/1912	1,285,000	17 May, 2022		514,000	771,000	-	60% value of Land
9	Soke Ote Soke- Land L.R. Marsabit/Mountain/2647	3,051,200	26 May, 2022		1,316,480	1,734,720	-	40% value of Land
10	Ali Elema Kapchowa Land L.R. Marsabit/ Mountain/1911	1,461,700	26 May, 2022		584,680	877,020	-	40% value of Land
11	Hiro Huka- Land L.R. Marsabit/ Mountain/1912	1,060,100	26 May, 2022		424,040	636,060	-	40% value of Land
	Sub Total	197,690,500			103,369,750	94,320,750	111,195,000	
	Total	260,999,246			154,381,872	108,655,304	131,391,572	
	Others							
	Legal Fees							
1	Gichuhi Mwangi Legal Fees for Chuka Sewerage	1,426,099	11 May, 2020		811,882	614,217	614,217	50% Balance for drawing of land sale agreement for Chuka Sewerage
2	Mithiga K. & Advocates Legal Fees for Marsabit Sewerage	2,796,522	04 March, 2020		1,479,134	1,317,388	1,317,388	50% Balance for drawing of land sale agreement for Marsabit Sewerage
3	Mithiga Kariuki Legal Fees for Chogoria Sewerage	1,068,803	04 March, 2020		556,027	512,776	512,776	50% Balance for drawing of land sale agreement for Chogoria Sewerage
	Sub-Total Legal Fees	5,291,424			2,847,043	2,444,382	2,444,381	
	Grand Total for Land Acquisition and Legal Fees as at 30/6/2021	265,390,670			157,228,915	111,099,687	133,835,953	



Annex 4 – Summary of fixed assets

Asset class	Opening Cost	Donations in form of Assets	Purchases/Additions in the Year	Disposals in the Year	Transfers in/(out)	Closing Cost
	2020/2021 (KES) (a)	2020/2021 (KES) (b)	2021/2022 (KES) (c)	2021/2022 (KES) (d)	2021/2022 KES (e)	2021/2022 (KES) (f)= (a)+ (b)-(c)+(-) d+(-)e
Land	336,774,650	-	96,708,448	-	-	433,483,098
Total	336,774,650	-	96,708,448	-	-	433,483,098

Tana Water Works Development Agency
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Appendices

S/ No.	Particulars	Remarks
1	Signed confirmations from beneficiaries in Transfers to Other Government Entities	N/A
2	Bank Reconciliations as at 30 th June 2022	N/A
3	Board of Survey Report	N/A
4	Special Deposit Account(s) reconciliation statement(s)	N/A
5	GoK IFMIS comparison Trial Balance	N/A

