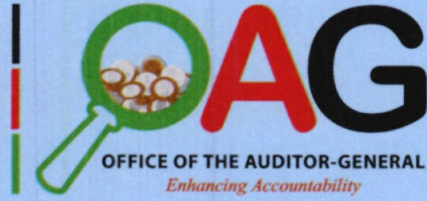


REPUBLIC OF KENYA



REPORT

NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 FEB 2026	DAY: Wednesday
OFFERED BY:	Deputy Leader of the Majority Party Hon. Owen Baya, CBS
CLERK-AT-THE-TABLE:	Irene Nduku

THE AUDITOR-GENERAL

ON

**HORN OF AFRICA GROUNDWATER FOR
RESILIENCE PROJECT (CREDIT
NO. 7082 - KE, PROJECT ID P174867)**

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

**STATE DEPARTMENT FOR WATER AND
SANITATION**



PROJECT NAME: HORN OF AFRICA - GROUNDWATER FOR RESILIENCE PROJECT

IMPLEMENTING ENTITY: MINISTRY OF WATER, SANITATION AND IRRIGATION

STATE DEPARTMENT FOR WATER AND SANITATION.

PROJECT GRANT/CREDIT NUMBER: 7082-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30,2025

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

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1. Acronyms and Definition of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
MOWSI	Ministry of Water Sanitation & Irrigation
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
WRA	Water Resource Authority
WSTF	Water Sector Trust Fund
HOAGW4RP	Horn of Africa Groundwater for Resilience Project
PCU	Project Coordination Unit
CPAK	Certified Public Accountant of Kenya
BSC	Bachelor of Science
NEMA	National Environment Authority
CSR	Corporate Social Responsibility
O & M	Operation & Management
ESMF	Environmental Social Management Framework
RPF	Resettlement Policy Framework
NEDI	North Eastern Development Initiative.
CIPS	Chartered Institute of Purchasing and Supplies
Comparative FY	Financial year preceding the current financial year.
MBA	Master of Business Administration
M&E	Monitoring and Evaluation
DA	Designated Account

2. Project Information and Overall Performance

2.1 Name and registered office

Name: The project's official name is: Horn of Africa Groundwater for Resilience Project

Objective to increase the sustainable access and management of groundwater in the Horn of Africa borderlands

Address: The project headquarters offices are:

MAJI House

Nairobi,

Nairobi County, Kenya.

The address of its registered office is:

Ministry of Water, Sanitation and Irrigation

P.O. Box 49720-00100

Nairobi.

Contacts: The following are the project contacts

Telegram: MAJI Nairobi.

Telephone: +254202716103

E-mail: ps@water.go.ke

Website: www.water.go.ke

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	March 2023
Project End Date:	Dec 2028
Project Manager:	Okoth Owuor
Project Sponsor:	World Bank

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Water, Sanitation and Irrigation
Project ID	P174867
Strategic goals of the project	Delivering inclusive groundwater services to priority areas & Generating groundwater information and strengthening regional and national groundwater institutions
Achievement of strategic goals	Rehabilitation of 400 boreholes and strengthening of O&M, review of groundwater management and development strategy, rules and regulations, review of national groundwater management and development policy and strategy, review transboundary policy and corporation framework and preparation of drought preparedness plans in NEDI counties.
Other important background information of the project	The programme will have 4 components which includes: <ul style="list-style-type: none"> - Delivering inclusive groundwater services to priority areas - Generating groundwater information and strengthening regional and national groundwater institutions - Project Management component - Emergency contingency response component

Current situation that the project was formed to intervene	The main Project development objective is to increase the sustainable access and management of groundwater in the Horn of Africa borderlands
Project duration	The project started in March 2023 and is expected to run until December 2028

2.4 Bankers

The following are the bankers for the current year:

i) Special purpose accounts at Central Bank

Designated Account C (DA-C) MoWSI
Central Bank of Kenya
Nairobi.

ii) Commercial Banks

HORN OF AFRICA- GROUNDWATER
Kenya Commercial Bank
Capital Hill

iii) Central Bank

CENTRAL BANK OF KENYA
Nairobi

Project Information and Overall Performance (Continued)

2.5 Independent Auditor

The project is audited by the;
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084-00100
NAIROBI, KENYA

2.6 Roles and Responsibilities

The team is composed of the Project Coordinator, Accountant, Supply Chain Officer, M&E support person and supported by administrative staff.

Names	Title designation	Key qualification	Responsibilities
Julius Korir,CBS	Principal Secretary	BSC in Agriculture Economics.	Accounting Officer
Okoth Owuor	Project Coordinator	BSC Geology	Coordinate implementation of approved project activities.
Elizabeth Ouma	M& E Safeguard support officer	B.Ed. science MBA, corporate strategy and economic policy	Support M& E, ESMF and RPF Coordination.
Eric Adoyo	Accountant	B. Com (Finance) CPA(K)	Processing of payments and preparing financial reports.
Calvince Ouma	Supply Chain Officer	BSc. Procurement & Contract Management. - CIPS	Support procurement and logistic.

2.7 Funding summary

The Project is for duration of 5 years from 2023 to 2028 with an approved budget of Euro 121.7 Million (donor currency) equivalent to Kshs 15,346,600,000 as highlighted in the table below;

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date (30/06/2025)		Undrawn balance to date (30/06/2025)	
	<i>Donor currency (Euros)</i>	<i>Kshs</i>	<i>Donor currency (Euros)</i>	<i>Kshs</i>	<i>Donor currency (Euro)</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Loan						
World Bank	121,700,000	15,346,600,000	9,801,047	13	111,898,953	13,817,636,787
ii) Counterpart Funds						
Government of Kenya	-	-	-	-	-	-
Total	121,700,000	15,346,600,000	9,801,047	13	111,898,953	13,817,636,787

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2025)		Cumulative amount paid to date – (30 th June 2025)		Unutilized balance to date (30 th June 2025)	
	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan						
Loan from World Bank	9,801,047	1,528,963,313	9,775,649	1,525,001,292	25,398	3,962,021
(ii) Counterpart funds						
Government of Kenya	-	-	-	-	-	-
Total	9,801,047	1,528,963,313	9,775,649	1,525,001,292	25,398	3,962,021

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

Budget performance against actual amounts for current year and for cumulative to-date,

Year	Budget Amount	Disbursed Amount	Absorption Rate%
2022/2023	752,340,160	0	0%
2023/2024	1,500,000,000	704,990,149.95	47%
2024/2025	300,000,000	211,848,290	97.6%
Cumulative to date	2,552,340,160	916,838,440	35.9%

- i) Physical progress based on outputs, outcomes and impacts since project commencement,

The overall project progress is 1.3%. The project held onboard Training, Conducted Security management plan Development, Social Safeguard Training Project Steering Committee National Project Steering Committee. The other works contracts are at different levels of implementation and upon completion will contribute to the project development objective results of delivering inclusive groundwater services to priority areas & generating groundwater information and strengthening regional and national groundwater institutions in NEDI

- ii) **Value-for-money achievements,**

The contract amounts for the procured goods, consultancies and works, are within the acceptable market range and thus there is value for money on the expected results of the procured activities.

- iii) **Implementation challenges and recommended way forward.**

- ✓ Double approval for funds utilization and procurement process by both the Ministry and World Bank. Approvals by the ministry should be sufficient
- ✓ Budget cuts which makes implementation of planned activities a challenge. Provision of funds should be as the budget.

- ✓ Low limit of MoWSI DA account making it difficult to access sufficient of funds.

The bank should increase the limit

2.9 Summary of Project Compliance:

In term of financial compliance, the project is implemented and managed as per the Financing Agreement, Financial manual and the project appraisal document. World bank procurement guidelines are strictly followed in the procurement of goods, consultancies and works. In addition, the project utilizes the development environmental and Resettlement frameworks in implementation of Environmental and Resettlement Action Plans without causing any harm to the environment and affecting the livelihoods of the project affected persons. This is reported and monitored through the monthly implementation progress reports of Contractors Environmental and Social Management plans.

3. Statement of Performance against Project’s Predetermined Objectives

Project Development Objective

The main objective of the Project is to increase the sustainable access and management of groundwater in the Horn of Africa. This will be achieved by rehabilitating of 400 boreholes and strengthening of O& M, review of groundwater management and development strategy, rules and regulations, review of national groundwater management and development policy strategy, review transboundary policy and corporation framework and preparation of drought preparedness plans in NEDI counties.

The key development objective of the project is:

- a) To contribute to the strategic goal of attaining 80% water coverage by the year 2028. This will be achieved by constructing new, rehabilitating and extension of existing water infrastructure. Non-revenue reductions will also be integrated to ensure minimal losses are achieved.

Progress on attainment of Strategic development objectives

For purposes 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:

Project	Objective	Outcome	Indicator	Performance
Horn of Africa Groundwater for Resilience Project	Increase sustainable access and management of groundwater in the NEDI counties	Increased access to water	Number of new people connected to water	During the year 2024/2025 the project undertook activities through Water Resources Users Associations benefiting 16, 522 people.

4. Environmental and Sustainability Reporting

Given the importance of water for life and society, it is natural that this is identified as a central issue for Water companies and to manage responsibly through their CSR practices to the benefit of local populations. This is happening in the projects being implemented even though slowly. Indeed, as we have seen that water is becoming increasingly focused as a global and local issue, it has also become more focused as a CSR issue by the water companies. We can conclude that there is a lot of remaining opportunity as the private sector is not engaged at a level proportional to the severity of the issue. This provides an opportunity for companies to do better for society in an area, which is critical to all their stakeholders resulting in significantly strengthened relations and brand visibility. However, this is not all. Given the criticality of water, there are also huge opportunities for Water companies to engage in a way that adds great value for society, while also being profitable and lowering their risk levels considerably.

With the recent announcement of the new Sustainable Development Goals and the recognition of the role of the private sector in achieving the goals, private sector leaders are aligning their strategies to support the implementation of Goal 6 – Ensure availability and sustainable management of water and sanitation for all. This initiative inspires Water companies and all players in the water sector to work actively with their own footprint, while engaging in transparency and collective action for more sustainable water management.

Water and Sanitation is being developed to increase water and sanitation coverage that will benefit 2million Kenyan's in the target areas that will transform their living standards with reduced cases of waterborne diseases.

The project undertakes review the Environmental and Social Management Plans to ensure have adequate measure to avoid adverse impacts on biodiversity, ecosystem services and habitats. Develop and adopt an Inclusion plan, site selection criteria and consultation.

i. Sustainability strategy and profile

To ensure sustainability in operation of the developed water and sanitation infrastructure, Financial and economic analysis have been carried out to determine the financial benefits against operation costs expected during operation of the projects. Energy saving systems have been considered at design stage that will lower the operation costs and to minimize Non-revenue water losses, master

meters have been proposed in manageable District Metering Areas coupled with non-revenue water performance contracts.

ii. Environmental performance

Implementation of the project activities strictly follows the provisions of the developed Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) and Environmental and social safeguards will be implemented in accordance with the Kenyan legislation. Environmental licenses are delivered by NEMA in due time prior to implementation of works.

iii. Employee Welfare

Assessment of the implementing agencies has been done and training needs incorporated in the annual work plans. During implementation the contractors comply with Occupational Safety and Health Act to ensure safety of the workers

iv. Market place practices

The project strictly follows the banks procurement guidelines coupled with the provisions of Procurement and Disposal Act 2015 that promotes competitive bidding process.

During the period under review, the Management has been actively involved in Sustainability reporting which ensures transparency, openness, fairness in competition and value for money in all the procurement activities involved.

The procurement approach to the reporting above included

Openness in Advertisement posted: – All tenders during the period under review were advertised openly in newspaper of wide circulation and equally posted in the management’s website. All signed contracts were uploaded in the Public Procurement Information Portal for the government as well as the Systematic Tracking of exchanges in Procurement by the World Bank.

Transparency and Fairness: - All bids or applications received were subjected to fair evaluation process in which all criteria used were shared with the prospective applicants before as required by law. No new criteria/criterion was introduced during the evaluation period.

Value for money: - All applications received were examined fairly in order to determine value for money. Financial costs were examined and determined to be within the existing market

thresholds. Market sounding was always done before engaging in a procurement activity to establish viability of the activity.

v. Community engagements

The project entails community participation for a more inclusive engagement in order to incorporate their comments during planning and design of the projects. The communities are also engaged in carrying out unskilled labour works that improves their economic wellbeing.

The project strictly follows the banks procurement guidelines coupled with the provisions of Procurement and Disposal Act 2015 that promotes competitive bidding process.

5. Statement of Project Management Responsibilities

The *Principal Secretary* for the State Department for Water and Sanitation and the *Project Coordinator* for *Horn of Africa Groundwater for Resilience Project* are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year on June 30, 2025.

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 project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

The *Principal Secretary* for the State Department for Water and Sanitation and the *Project Coordinator* for *Horn of Africa Groundwater for Resilience Project* accept responsibility for the Project's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary* for the State Department for Water and Sanitation and the *Project Coordinator* for *Horn of Africa Groundwater for Resilience Project* are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the year ended June 30, 2025, and of the Project's financial position as at that date. The *Principal Secretary* for State Department for Water and Sanitation and the *Project Coordinator* for *Horn of Africa Groundwater for Resilience Project* further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The *Principal Secretary* for the State Department for Water and Sanitation and *Project Coordinator* for *Horn of Africa Groundwater for Resilience Project* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

***Horn of Africa-Groundwater for Resilience Project
Annual Report and Financial Statements for the year ended June 30, 2025***

The Project financial statements were approved by the *Principal Secretary* for the State Department for Water and Sanitation and the *Project Coordinator* for *Horn of Africa Groundwater for Resilience Project* on 27th 10 2025 and signed by:



Julius Korir, CBS
Principal Secretary



Dr. Okoth Owuor
Project Coordinator

REPUBLIC OF KENYA

Phone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON HORN OF AFRICA GROUNDWATER FOR RESILIENCE PROJECT (CREDIT NO. 7082 – KE, PROJECT ID P174867) FOR THE YEAR ENDED 30 JUNE, 2025 - STATE DEPARTMENT FOR WATER AND SANITATION

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Horn of Africa Groundwater for Resilience Project-Kenya Credit No.7082-KE - State Department for Water and Sanitation set out on pages 1 to 23 which comprise of the statement of financial

Report of the Auditor-General on Horn of Africa Groundwater for Resilience Project (Credit No. 7082 - KE, Project P174867) for the year ended 30 June, 2025 - State Department for Water and Sanitation

position as at 30 June, 2025 and the statement of financial performance, statement of net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Horn of Africa Groundwater for Resilience Project- IDA Credit No.7082KE and Project ID 174867 as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Public Finance Management Act, 2012 and the Financing Agreement No.7082-KE dated 1 September, 2022 between the Republic of Kenya and the International Development Association (IDA).

Basis for Opinion

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final budgeted receipt of Kshs.300,000,000 and actual receipt on comparable basis of Kshs.211,848,290 resulting into underfunding of Kshs.88,151,710 or 29% of the budget. Similarly, the statement reflects final budgeted expenditure of Kshs.300,000,000 and actual expenditure of kshs.224,451,023 resulting to under expenditure of Kshs.75,548,977 or 25%.

The underfunding affected planned activities and may impacted negatively on service delivery to the people.

2. Funds Withdrawn from the Special Account and not yet Justified.

Review of the Special Account Statement, reconciliation statement and the Project financial statements reflects a total of EUR. 61,390 as amounts withdrawn and not yet claimed as at 30 June, 2025. This amount represents cumulative funds transferred to the local project bank account, but whose expenditure returns had not been submitted to National Treasury by the close of the financial year.

In the circumstances, the project had not complied with the accountability requirements to the National treasury.

My opinion is not modified in respect to these matters.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on page iii to xvi which comprise of Project Information and Overall Performance, Statement of performance against project's predetermined objectives, Environmental and Sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on Horn of Africa Groundwater for Resilience Project- IDA Credit No.7082KE- State Department for Water and Sanitation financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Irregular Payment of the Parking Fees

The statement of financial performance reflects use of goods and services amount of Kshs.102,452,506 as disclosed in Note 6(a) which includes Kshs.11,104,086 in respect to rent expense. However, the amount includes Kshs.916,980 being payment

in respect of parking fee or parking space for six (6) cars which was not provided for in the lease agreement.

In the circumstances, the regularity of the expenditure of Kshs.916,980 on parking fee could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

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 governance were not effective.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

3 November, 2025

Report of the Auditor-General on Horn of Africa Groundwater for Resilience Project (Credit No. 7082 - KE, Project P174867) for the year ended 30 June, 2025 - State Department for Water and Sanitation

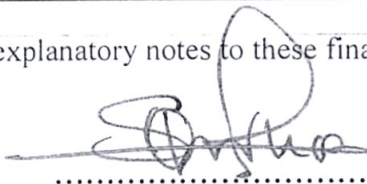
*Horn of Africa-Groundwater for Resilience Project
Annual Report and Financial Statements for the year ended June 30, 2025*

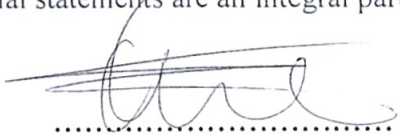
7. Statement of Financial performance for the year ended 30 June 2025.

	Notes	June ,2025 Kshs
Revenue		
Revenue Transfers	5	211,848,290
Total revenue		211,848,290
Expenses		
Use of goods and services	6 (a)	102,452,506
Depreciation and amortization expense	7	23,701,689
Total expenses		126,154,195
Other gains/(losses)		
Gain/Loss on sale of assets		-
Gain/Loss on foreign exchange transactions		-
Impairment loss		-
Surplus/ (deficit)		85,694,095

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


.....
Julius Korir, CBS
Principal Secretary


.....
Dr. Okoth Owuor
Project Coordinator


.....
CPA Eric Adoyo
Project Accountant
ICPAK Member No:17356

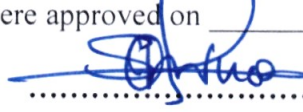
*Horn of Africa-Groundwater for Resilience Project
Annual Report and Financial Statements for the year ended June 30, 2025*

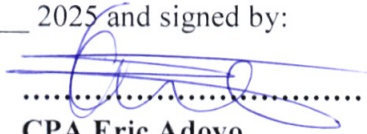
8. Statement of Financial position as at 30 June 2025

	Note	30 June, 2025	Opening Statement as at 1 st July, 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	8 (a)	3,962,021	16,564,754
Cash & Cash Equivalent in the DA Account	8(b)	59,992,939	42,938,359
Total Current Assets		63,954,960	59,503,113
Non-Current Assets			
Property, Plant and Equipment	9 (a)	153,616,907	
Intangible Assets		-	
Total Non- Current Assets		153,616,907	-
Total Assets (a)		217,571,867	
Liabilities			
Current Liabilities			
Trade and Other Payables	10	55,320,079	
Deferred Income	12	59,992,939	42,938,359
Total Current Liabilities(b)		115,313,018	
Total Liabilities		115,313,018	42,938,359
Net Assets (a-b)		102,258,849	16,564,754
Represented By:			
Accumulated Surplus		102,258,849	16,564,754
Total Net Assets		102,258,849	16,564,754

The financial statements were approved on _____ 2025 and signed by:


.....
Julius Korir, CBS
Principal Secretary


.....
Dr. Okoth Owuor
Project Coordinator


.....
CPA Eric Adoyo
Project Accountant
ICPAK Member No.17356

*Horn of Africa-Groundwater for Resilience Project
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9. Statement of changes in net assets for the year ended 30 June 2025

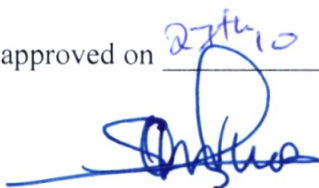
Description	Accumulated Surplus
	Kshs
As at 1 st July 2024	16,564,754
Prior year adjustment:	
Assets recognition	
Liabilities recognition	
Total Assets As at 1 July 2024	16,564,754
Surplus/(Deficit) for the period	85,694,095
As at 30 June 2025	102,258,849

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

The financial statements were approved on 27th 2025 and signed by:



.....
Julius Korir, CBS
Principal Secretary



.....
Dr. Okoth Owuor
Project Coordinator



.....
CPA Eric Adoyo
Project Accountant
ICPAK Member No.17356

10. Statement of Cash flow for the year ended 30 June 2025

Description	Note	30 June, 2025 Kshs
Cashflow from operating activities		
Receipts		
Miscellaneous Revenue	5	211,848,290
Other receivables		
Total receipts		211,848,290
Payments		
Use of goods and services	6 (b)	86,072,071
Total payments		86,072,071
Net cash flow from operating activities		125,776,219
Cashflow from investing activities		
Acquisition of non-financial assets	9 (b)	(138,378,952)
Proceeds from sale of Assets		-
Acquisition of Intangible assets		-
Net cash flows from investing activities		(138,378,952)
<i>Specify the activity</i>		
Cash flow from financing activities		-
Net cash flow from financing activities		-
Net increase/Decrease in cash and cash equivalents		(12,602,733)
Cash and cash equivalent at 1st July 2024	8(a)	16,564,754
Cash and cash equivalent at end of June, 2025	8 (a)	3,962,021

.....
Dr. Okoth Owuor
Project Coordinator

.....
CPA. Eric Adoyo
Project Accountant.
ICPAK Member No:17536

11. Statement of Comparison of Budget and Actual Amounts for the Period ended 30th June 2025

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=d/e %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Loan from external development partners	200,000,000	100,000,000	300,000,000	211,848,290	88,151,710	70.7%
Total Receipts	200,000,000	100,000,000	300,000,000	211,848,290	88,151,710	70.7%
Payments						
Acquisition of non-financial assets	15,200,000	184,700,000	200,000,000	138,378,952	61,621,048	69.18%
Purchase of goods and services	184,800,000	(84,700,000)	100,000,000	86,072,071	13,927,929	86.07%
Total Payments	200,000,000	100,000,000	300,000,000	224,451,023	75,548,977	74.8%
Surplus or Deficit	-		-	(12,602,733)		

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(12,602,733)
I	Cash balances brought down	16,564,754
	Closing Cash and Cash Equivalent as per the statement of Cash flows	3,962,021

12. Notes to the Financial Statements

1. General Information

The State department for water and sanitation is established by and derives its authority and accountability from Water Act 2016. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is development of policies to guide in implementation and management of water and sanitation infrastructure.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

These financial statements were authorised for issue by the accounting officer on 30, June 2025

Basis of Preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Horn of Africa Groundwater for Resilience Project. The accounting policies adopted have been consistently applied to all the years presented.

Reporting period

The reporting period for these financial statements is for the period ended 30 June 2025.

3. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for FY 2024/2025 was approved on **June 2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of **Zero** on the FY 2024/2024 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on 6 under section d of these financial statements.

c) Property, plant, and equipment

All property, plant, and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure directly attributable to the acquisition or construction of the item of property plant and equipment. When significant parts of property, plant, and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying

Horn of Africa-Groundwater for Resilience Project
Annual Report and Financial Statements for the year ended 30 June, 2025

amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

Notes to the financial statements

d) Leases

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

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Research and development costs

Horn of Africa Groundwater for Resilience Project expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the financial statements

g) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. Horn of Africa Groundwater for Resilience Project *does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the project's financial statements*. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

Horn of Africa Groundwater for Resilience Project classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified

to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Notes to the financial statements

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through surplus or deficit.

h) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Horn of Africa Groundwater for Resilience Project y.

i) Provisions

Provisions are recognized when Horn of Africa Groundwater for Resilience Project has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where Horn of Africa Groundwater for Resilience Project expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Notes to the financial statements

Contingent liabilities

Horn of Africa Groundwater for Resilience Project does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

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

j) Nature and purpose of reserves

Horn of Africa Groundwater for Resilience Project creates and maintains reserves in terms of specific requirements.

Notes to the financial statements

k) Changes in accounting policies and estimates

Horn of Africa Groundwater for Resilience Project recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

l) Employee benefits

Retirement benefit plans

Horn of Africa Groundwater for Resilience Project provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation

m) Foreign currency transactions

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

n) Related parties

Horn of Africa Groundwater for Resilience Project regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the principal and senior managers.

o) Service concession arrangements

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

There have been no events subsequent to the reporting period with a significant impact on the financial statements for the period ended, 2025.

q) Subsequent events

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 Commercial Bank at the end of the reporting period.

p) Cash and cash equivalents

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

Notes to the financial statements

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of Horn of Africa Groundwater for Resilience Project financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is not included.

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

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Notes to the financial statements

5. Revenue Transfers

Description	June 30, 2025
	KShs
Unconditional Transfers	
GoK Counter Part funding	-
Transfers from Development partners	211,848,290
Total Unconditional Transfers (a)	211,848,290
Conditional Transfers	
Transfers from Development partners	
Total Conditional Transfers (b)	-
Total Transfers for the Period (a +b)	211,848,290

The funding is necessary for the attainment of the project objectives.

a) Details to Revenue Transfers

Name of The Entity Transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred income.	Amount moved to Capital fund	Total transfers (Current Period)
	Kshs	Kshs		Kshs
GOK Funding	-	-	-	-
World Bank	211,848,290	-	-	211,848,290
Total	211,848,290	-	-	211,848,290

6. (a) Use of Goods and Services

Description	June 30, 2025
	Kshs
Utilities, supplies and services	63,302
Bank charges	48,829
Communication, supplies and services	2,099,000
Domestic travel and subsistence	36,200,492
Training payments	5,250,848
Hospitality supplies and services	8,731,238
Consultancy services	12,665,589
Rent expense	11,104,086
Fuel	2,140,650
General office supplies	19,962,876
Advertising	517,316
Repair of equipment and Machines	3,668,279
GRAND TOTAL	102,452,506

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Notes to the financial statements

6 (b) Use of Goods and services - Adjustments for non-cashflow items

Description	30-Jun-25 Kshs
Utilities, supplies and services	63,302
Bank charges	48,829
Communication, supplies and services	2,099,000
Domestic travel and subsistence	36,200,492
Training payments	5,250,848
Hospitality supplies and services	8,731,238
Consultancy services	12,665,589
Rent expense	11,104,086
Fuel	2,140,650
General office supplies	19,962,876
Advertising	517,316
Repair of equipment and Machines	3,668,279
GRAND TOTAL	102,452,506
Less	
Trade & Other Payables as at the end of the year	16,380,434
Total Payments	86,072,072

7. Depreciation and Amortization expense

Description	June 30, 2025 Kshs
Property, Plant and Equipment	23,701,689
Intangible Assets	-
Total	23,701,689

8 (A). Cash and Cash Equivalents

Description	June 30, 2025	1 July, 2024
	Kshs	Kshs
CBK	3,952,255	6,564,754
KCB	9,767	10,000,000
Total Cash and Cash Equivalents	3,962,022	16,564,754

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Notes to the financial statements

8 (B). Cash and Cash Equivalents

Description	June 30, 2025	1 July, 2024
	Kshs	Kshs
Designated Account	59,992,939.02	42,938,358.70
Total Cash and Cash Equivalents	59,992,939.02	42,938,358.7

This is the balance of the designated account of EUR 438,609 at a conversion rate of 136.78 being the prevailing exchange at the last receipt.

9.(a) Property, Plant and Equipment

Cost	Motor vehicles	Furniture and fittings	ICT Equipment	Other Assets (groundwater equipment)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation rate	10%	12.5%	30%	10%		
As At 1 July 2024 (opening balances)	-	-	-	-	-	-
Additions	53,736,000	8,752,182	28,755,125	86,075,290	-	177,318,597
Disposals	(-)	(-)	(-)	(-)	(-)	(-)
Transfers/Adjustments	(-)	-	-	-	-	-
As at 30th June 2025	5,373,600	8,752,182	28,755,125	86,075,290	-	177,318,597
Depreciation and Impairment						
As at 1 July 2025	(-)	(-)	(-)	(-)	-	(-)
Depreciation charge for the year	5,373,600	1,094,023	8,626,538	8,607,529		23,701,689
Impairment loss	(-)	(-)	(-)	(-)		(-)
Transfers/ Adjustments	(-)	-	(-)	(-)		(-)
As At 30th June 2025	5,373,600	1,094,023	8,626,538	8,607,529		23,701,689
Net Book Values						
As at 1st July 2024	-	-	-	-	-	-
As at 30th June 2025	48,362,400	7,658,159	20,128,588	77,467,761	-	153,616,908

Notes to the financial statements

9 (b) Acquisition of non-financial assets – Cashflow statement

Cost	Motor vehicles	Furniture and fittings	ICT Equipment	Other Assets (groundwater equipment)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Additions	53,736,000	8,752,182	28,755,125	86,075,290	-	177,318,597
Less Payables	31,258,344	-	7,681,300	-	-	38,939,644
	22,477,656	8,752,182	21,073,825	86,075,290	-	138,378,953

10. Trade and other payables

Description	2024/2025		1 st July 2024	
	Kshs		Kshs	
Trade payables	55,320,079		-	
Employee payables	-		-	
Other payables (specify)	-		-	
Total trade and other payables	55,320,079		-	
Ageing analysis: (Trade and other payables)	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	55,320,079	100%	-	-
1-2 years			-	-
2-3 years			-	-
Over 3 years			-	-
Total	55,320,079		-	-

11. Project Bank Account

Details	June 30, 2025	1 July, 2024
	Kshs	Kshs
Foreign Currency Accounts		
Central Bank of Kenya [A/c No 1000630841	3,952,254.40	6,564,754
KCB A/c No 1324542225	9,766.55	10,000,000
Total local currency balances	3,962,020.95	16,564,754

*Horn of Africa-Groundwater for Resilience Project
Annual Report and Financial Statements for the year ended 30 June, 2025*

12. Deferred Income

Notes to the financial statements

Description	June 30, 2025	1 July, 2024
	Kshs	Kshs
Designated Account	59,992,939.02	42,938,358.70
Total Cash and Cash Equivalents	59,992,939.02	42,938,358.7

This is the balance of the designated account of EUR 438,609 at a conversion rate of 136.78 being the prevailing exchange at the last receipt. This was not yet received in the project account as at 30 June, 2025.

13.Special Deposit Accounts

The balances in the Project’s Special Deposit Account(s) as of 30th June 2025 are not included in the Statement of Financial Assets since the line items are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule, which shows the flow of funds voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Description	2024/2025	1 st July 2024
	Euros	Euros
(i) — A/C Name [A/c No.1000622978		
Opening balance	301,702	
Total amount deposited in the account	503,745	801,697
Total amount withdrawn	(366,838)	(499,995)
Closing balance (as per SDA bank account reconciliation attached)	<u>438,609</u>	<u>301,702.</u>

(The Special Deposit Accounts reconciliation statement have been attached as Annex 3, iii support these closing balance.

Notes to the financial statements

14.Events after the Reporting Period

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

15.Ultimate and Holding Entity

The *Horn of Africa Groundwater for Resilience Project* is a project under State Department for Water and Sanitation Its ultimate parent is the Government of Kenya.

16.Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs

13 Annexes

Annex 1: Prior year Auditor General Recommendations

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Irregular procurement of Air Travel	The evaluation minutes/bid analysis report, market survey and professional opinion were not provided	Resolved	
2.	Project performance on predetermined objectives	At the time of Audit, the performance against the projects predetermined objectives had not been captured.	Resolved	


.....
Julius Korir CBS
Principal Secretary


.....
Name: Okoth Owuor
Project Coordinator

Annex 2: Summary of Fixed Assets Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Office equipment, furniture and fittings	-	8,752,182	-	-	8,752,182
ICT Equipment	-	28,755,125	-	-	28,755,125
Machinery and Equipment	-	86,075,290	-	-	86,075,290
Motor vehicle	-	53,736,000		-	53,736,000
Total		177,318,597			177,318,597


Annex 3: Other support Documents


- i. Bank Reconciliation statement as at 30th June 2025
- ii. Board of survey Report
- iii. Special Deposit Account Reconciliation Statements


REPUBLIC OF KENYA
BANK RECONCILIATION
HORN OF AFRICA GROUND WATER FOR RESELIENCE PROJECT
BANK ACCOUNT NO.1824542225
as at 30TH JUNE 2025 STATION NAIROBI

	Sh.	Sh.
Balance as per Bank Certificate		9,766.55
Less -----		
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	30,173.70	
2. Receipts in Bank Statement not yet recorded in Cash book	-	30,173.70
		(20,407.15)
Add -----		
3. Payment in Bank Statement not yet recorded in Cash Book	27,622.85	
4 Receipts in Cash Book not yet Recorded in Bank Statement	-	27,622.85
Balance as per cash Book		7,215.70
	ACTUAL CB BAL	7,215.70

I certify that I have verified the Bank balance in the cash Book with the bank Statement and that the above reconciliation is correct.

Prepared By: Samuel Othman Signature:  Date: 30/06/25

Reviewed By: Eric Adoyo Signature:  Date: 30/06/25

Approved By: Okoth Owuor Signature:  Date: 30.06.2025

30.10.2024 ELIZABETH CONSULTANT

PAYMENT IN CASH BOOK NOT IN BANK

TOTAL

30,173.00

0.70

30,173.70

PAYMENT IN BANK NOT IN CASH BOOK

17-Jul-24	chq no.1324542225 0000001	CHARGES ON 500000	69.55
17-Jul-24	chq no.1324542225 0000001	CHARGES ON 500000	69.00
25-Jul-24	FT24207QJV1B	swift charge	575.00
25-Jul-24	FT24212G454H	swift charge	575.00
	BANK CHARGES ON TRANSFER OF 10000000		1,210.00
13.09.2024	under cast in cashbook(403200-403162) FT242577NGGQ		38.00
05.09.2024	FT24249RHSTK		575.00
05.09.2024	FT24249D89TZ		34.50
05.09.2024	FT24249P03ZM		172.50
05.09.2024	FT2424917QGN		34.50
05.09.2024	FT24249YL8WW		172.50
12.09.2024	FT242564RHJP		575.00
13.09.2024	FT242577NGGQ		575.00
30.10.2024	TT243042XPJ5		30.00
30.10.2024	TT243042XPJ5		200.00
25.11.2024	FT243308NF3G		172.50
28.11.2024	FT24333LXJX9		34.50
28.11.2024	FT243338KNKT		34.50
28.11.2024	TT24334X86KN		30.00
29.11.2024	TT24334X86KN		200.00
18.12.2024	ELIZABETH-UNDERCAST IN CASH BOOK		20,000.00
11.12.2024	FT243469FDR4		172.50
11.12.2024	FT243461WKGM		172.50
08.01.2025	FT25008TBCT5		34.50
08.01.2025	FT25008P64KC		34.50
08.01.2025	FT25008YK1J7		34.50
08.01.2025	FT25008PTS0Q		34.50
08.01.2025	FT25008N8NKF		172.50
14.01.2025	FT25014308T5		172.50
27.02.2025	CASH BOOK OVER CAST-PAYMENT TOTALS		0.80
08.02.2025	FT25039P4CZF		34.50
08.02.2025	FT25039NJJXS		34.50
26.02.2025	FT25057KM3Z5		34.50
26.02.2025	FT25057VMX8M		34.50
08.02.2025	FT25039NJJXS		1.00

02.04.2025 FT250923NM8S
02.04.2025 FT250923NM8S

TOTAL

TOTAL

TOTAL

RECEIPTS IN BANK NOT IN CASH BOOK

RECEIPTS IN CASH BOOK NOT IN BANK

213.00

1,065.00

27,622.85

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REPUBLIC OF KENYA
BANK RECONCILIATION
HORN OF AFRICA GROUNDWATER FOR RESILIENCE PROJECT
BANK ACCOUNT NO.1000630841
as at 30TH JUNE 2025 STATION NAIROBI

	Sh.	Sh.
Balance as per Bank Certificate		78,574.40
Less -----		
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	156,929,340.20	
2. Receipts in Bank Statement not yet recorded in Cash book		156,929,340.20
		(156,850,765.80)
Add -----		
3. Payment in Bank Statement not yet recorded in Cash Book	1,200.00	
4 Receipts in Cash Book not yet Recorded in Bank Statement	160,000,000.00	160,001,200.00
Balance as per cash Book		3,150,434.20
	ACTUAL CB BAL	3,150,434.20

I certify that I have verified the Bank balance in the cash Book with the bank Statement and that the above reconciliation is correct.

Prepared By: Samuel Othman Signature: [Signature] Date: 1/7/2025

Reviewed By: Ric Adye Signature: [Signature] Date: 1/7/2025

Approved By: Okoth Omondi Signature: [Signature] Date: 01-07-2025

PAYMENT IN CASH BOOK NOT IN BANK

30-Jun-25 Various	156,929,340.20
Total	<u>156,929,340.20</u>

PAYMENT IN BANK NOT IN CASH BOOK

27/2/2025 W/VAT	1,200.00
TOTAL	<u>1,200.00</u>

RECEIPTS IN BANK NOT IN CASH BOOK

TOTAL	<u>-</u>
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RECEIPTS IN CASH BOOK NOT IN BANK

TOTAL	<u>_____</u>
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Date	Payee	Particular	Amount	
30/6/2024	Broadband intl ltd	stationery items	4,352,500.00	
30/6/2024	tageph office tech	banners and brabded caps	2,802,500.00	
30/6/2024	Briskmove	branding andpainting	3,550,000.00	
30/6/2024	Levinex limited	tv and video conference equipment	1,919,000.00	
30/6/2024	wagtech africa ltd	Groundwater equipment	18,084,690.00	
30/6/2024	Crimson	computer and computer consumables	10,064,185.00	
30/6/2024	Nariana Ent	Groundwater equipment	63,570,000.00	
30/6/2024	Gallen Ent.	Telephone	429,000.00	
30/6/2024	Vesna	Hospitality	433,000.00	
30/6/2024	Gallen Ent.	Telephone	465,000.00	
30/6/2024	CFAO Mobility	motorvehicle purchase	22,872,000.00	
30/6/2024	RH Devani ltd	fuel and lubricants	2,140,650.00	
30/6/2024	sketch enterprises	stationery items	406,000.00	
30/6/2024	woodlands Hotel	conference facility	1,065,000.00	
30/6/2024	Diankey Ent.	stationery	540,000.00	
30/6/2024	Berge Agencies	mechanical bulk filler	4,420,600.00	
30/6/2024	Maximilla Nabwire	hospitality	150,000.00	
30/6/2024	Prism Towers	rent payment	1,829,399.80	
			139,093,524.80	139,093,524.80
30/6/2024	elizabeth ouma	consultancy payment	500,000.00	
30/6/2024	elizabeth ouma	consultancy payment	500,000.00	
30/6/2024	Rehema Deri	consultancy payment	440,000.00	
30/6/2024	Rehema Deri	consuitancy payment	440,000.00	
30/6/2024	Rehema Deri	consultancy payment	440,000.00	
30/6/2024	stephen okoth	fidic meeting -ethiopia	56,202.00	
30/6/2024	samuel kamau	fidic meeting -ethiopia	181,655.20	
30/6/2024	margaret irungu	fidic meeting -ethiopia	56,202.00	
30/6/2024	charles kioko	fidic meeting -ethiopia	47,416.00	
30/6/2024	benson njagi	draft sharing agreement	42,000.00	
30/6/2024	david kimemia	draft sharing agreement	42,000.00	
30/6/2024	lenkai Shangawa	draft sharing agreement	42,000.00	
30/6/2024	margaret irungu	draft sharing agreement	42,000.00	
30/6/2024	Jane ndungu	draft sharing agreement	33,600.00	
30/6/2024	joseph mburu	draft sharing agreement	33,600.00	
30/6/2024	lilian ongere	draft sharing agreement	33,600.00	
30/6/2024	eric Adoyo	draft sharing agreement	42,000.00	
30/6/2024	geoffrey ichai	draft sharing agreement	33,600.00	
30/6/2024	victor odoyo	draft sharing agreement	50,400.00	
30/6/2024	Rose Nyakwana	draft sharing agreement	42,000.00	
30/6/2024	Ruth Wanami	draft sharing agreement	33,600.00	
30/6/2024	Daniel owino	draft sharing agreement	42,000.00	
30/6/2024	Robert osano	inspection of water projects	168,000.00	
30/6/2024	jeniffer owino	inspection of water projects	168,000.00	
30/6/2024	solomon mwenda	inspection of water projects	63,000.00	
30/6/2024	samuel kirui	inspection of water projects	63,000.00	
			3,635,875.20	3,635,875.20

30/6/2024	peter kiboro	inspection of water projects	63,000.00	
30/6/2024	joseph thuranira	inspection of water projects	63,000.00	
30/6/2024	andrew mungathia	inspection of water projects	63,000.00	
30/6/2024	jane wangetha	inspection of water projects	63,000.00	
30/6/2024	eric mugaa	inspection of water projects	182,200.00	
30/6/2024	rosina muli	inspection of water projects	63,000.00	
30/6/2024	gerald indimuli	inspection of water projects	63,000.00	
30/6/2024	daniel mwiricha	inspection of water projects	63,000.00	
30/6/2024	geofrey oburu	inspection of water projects	63,000.00	
30/6/2024	japheth ngetich	inspection of water projects	63,000.00	
30/6/2024	ann mugii	inspection of water projects	112,000.00	
30/6/2024	maximilla ouma	inspection of water projects	112,000.00	
30/6/2024	mweu musembi	inspection of water projects	112,000.00	
30/6/2024	stephen choge	inspection of water projects	112,000.00	
30/6/2024	makandi manyara	inspection of water projects	112,000.00	
30/6/2024	agnes mogoi	inspection of water projects	63,000.00	
30/6/2024	samuel ndichu	inspection of water projects	112,000.00	
30/6/2024	george maina	inspection of water projects	112,000.00	
30/6/2024	Immaculate Meri	inspection of water projects	63,000.00	
30/6/2024	Joline Achieng	inspection of water projects	112,000.00	
30/6/2024	Ruth wanami	inspection of water projects	112,000.00	
30/6/2024	robert mwenda	inspection of water projects	140,000.00	
30/6/2024	stephen okoth	inspection of water projects	140,000.00	
30/6/2024	eric adoyo	inspection of water projects	140,000.00	
30/6/2024	edgar indasi	inspection of water projects	112,000.00	
30/6/2024	james mbugua	inspection of water projects	112,000.00	
30/6/2024	Godfrey manyeki	inspection of water projects	112,000.00	
30/6/2024	julius korir	inspection of water projects	182,200.00	
30/6/2024	samwel alima	inspection of water projects	168,000.00	
30/6/2024	ann gicheha	inspection of water projects	112,000.00	
30/6/2024	stephen manthi	inspection of water projects	33,600.00	
30/6/2024	geofrey rono	inspection of water projects	140,000.00	
30/6/2024	rosemary opondo	inspection of water projects	140,000.00	
30/6/2024	eric adoyo	site visit	140,000.00	
30/6/2024	dorcy mwende	site visit	112,000.00	
30/6/2024	stephen ogelo	site visit	112,000.00	
30/6/2024	zakayo ngaruiya	site visit	112,000.00	
30/6/2024	moses macharia	site visit	112,000.00	
30/6/2024	maximilla ouma	site visit	112,000.00	
30/6/2024	carol nzuki	site visit	112,000.00	
30/6/2024	angela mwanzia	site visit	112,000.00	
			4,339,000.00	4,339,000.00
30/6/2024	tamar nkirote	site visit	112,000.00	
30/6/2024	minneh mungai	site visit	112,000.00	
30/6/2024	stephen gitonga	site visit	112,000.00	

30/6/2024	fredrick mwirigi	site visit	112,000.00	
30/6/2024	dennis macharia	site visit	112,000.00	
30/6/2024	firdaus athman	site visit	112,000.00	
30/6/2024	joseph mburu	site visit	112,000.00	
30/6/2024	byron Okoth	site visit	63,000.00	
30/6/2024	albert mokua	site visit	168,000.00	
30/6/2024	Robert osano	site visit	168,000.00	
30/6/2024	ann kariuki	site visit	63,000.00	
30/6/2024	jennifer owino	site visit	168,000.00	
30/6/2024	samuel otieno	site visit	112,000.00	
30/6/2024	mutinda mututho	site visit	112,000.00	
30/6/2024	dorcas wasike	site visit	140,000.00	
30/6/2024	john oyomba	site visit	112,000.00	
30/6/2024	mary kitheka	site visit	112,000.00	
30/6/2024	sarah muriithi	site visit	140,000.00	
30/6/2024	Naboth otao	site visit	140,000.00	
30/6/2024	stephene okoth	site visit	140,000.00	
30/6/2024	stephene ndege	site visit	112,000.00	
30/6/2024	jane ndungu	site visit	112,000.00	
30/6/2024	okoth owuor	draft sharing agreement	42,000.00	
30/6/2024	jane wangetha	ptc meeting	28,000.00	
30/6/2024	Marion chebet	RCGW strategic plan-2	60,800.00	
30/6/2024	Brian Letuati	RCGW strategic plan-2	56,000.00	
30/6/2024	Janiffer Ndibaru	RCGW strategic plan-2	67,200.00	
30/6/2024	calvince ouma	RCGW strategic plan-2	44,800.00	
30/6/2024	agnes mbugua	RCGW strategic plan-2	72,800.00	
30/6/2024	samuel maina	RCGW strategic plan-2	67,200.00	
30/6/2024	patrick munge	RCGW strategic plan-2	67,200.00	
30/6/2024	benson kimotho	RCGW strategic plan-2	123,200.00	
30/6/2024	Fredrick Njuki	RCGW strategic plan-2	67,200.00	
30/6/2024	steven okoth	RCGW strategic plan-2	67,200.00	
30/6/2024	Samwel alima	RCGW strategic plan-2	67,200.00	
30/6/2024	jeniffer owino	RCGW strategic plan-2	67,200.00	
30/6/2024	Robert osano	RCGW strategic plan-2	67,200.00	
30/6/2024	eric onyango	RCGW strategic plan-2	56,000.00	
30/6/2024	samwelkimani	RCGW strategic plan-2	56,000.00	
30/6/2024	evelyne mutinda	RCGW strategic plan-2	56,000.00	
30/6/2024	sarah gatobu	RCGW strategic plan-2	56,000.00	
			3,835,200.00	3,835,200.00
30/6/2024	thomas kangethe	RCGW strategic plan-2	56,000.00	
30/6/2024	fred kemboi	RCGW strategic plan-2	56,000.00	
30/6/2024	gloria moraa	RCGW strategic plan-2	44,800.00	
30/6/2024	geofrey rono	RCGW strategic plan-2	56,000.00	
30/6/2024	asher ogone	RCGW strategic plan-2	44,800.00	
30/6/2024	patricia Gachoki	RCGW strategic plan-2	44,800.00	
30/6/2024	james mbugua	RCGW strategic plan-2	44,800.00	

30/6/2024	maureen akhonya	RCGW strategic plan-2	44,800.00	
30/6/2024	rosemary kagendo	RCGW strategic plan-2	56,000.00	
30/6/2024	rehema deri	RCGW strategic plan-2	44,800.00	
30/6/2024	maximilla ouma	RCGW strategic plan-2	44,800.00	
30/6/2024	victor waweru	RCGW strategic plan-2	16,000.00	
30/6/2024	robert mworia	RCGW strategic plan-2	44,800.00	
30/6/2024	fredrick mwirigi	RCGW strategic plan-2	44,800.00	
30/6/2024	gibson wawetru	RCGW strategic plan-2	44,800.00	
30/6/2024	samwel kirui	RCGW strategic plan-2	25,200.00	
30/6/2024	festus ondimu	RCGW strategic plan-2	25,200.00	
30/6/2024	stephen choge	RCGW strategic plan-2	44,800.00	
30/6/2024	Andrew kimtai	1st draft strategic plan	84,000.00	
30/6/2024	edwin nyaga	1st draft strategic plan	84,000.00	
30/6/2024	robert mworia	1st draft strategic plan	67,200.00	
30/6/2024	maryce nendeché	1st draft strategic plan	67,200.00	
30/6/2024	vickline moraa	1st draft strategic plan	67,200.00	
30/6/2024	victor waweru	1st draft strategic plan	24,000.00	
30/6/2024	evalyne mutinda	1st draft strategic plan	84,000.00	
30/6/2024	sarah ngatobu	1st draft strategic plan	84,000.00	
30/6/2024	rehema deri	1st draft strategic plan	67,200.00	
30/6/2024	Partricia Gachoki	1st draft strategic plan	67,200.00	
30/6/2024	Beth wangari	1st draft strategic plan	67,200.00	
30/6/2024	Dennis oginga	1st draft strategic plan	84,000.00	
30/6/2024	Pillip Emekwi	1st draft strategic plan	84,000.00	
30/6/2024	Asher Ogone	1st draft strategic plan	67,200.00	
30/6/2024	James mbugua	1st draft strategic plan	67,200.00	
30/6/2024	thomas kangethe	1st draft strategic plan	84,000.00	
30/6/2024	Maureen akhonya	1st draft strategic plan	67,200.00	
30/6/2024	jane gathoni	1st draft strategic plan	84,000.00	
30/6/2024	Geoffrey Rono	1st draft strategic plan	84,000.00	
30/6/2024	calvince ouma	1st draft strategic plan	67,200.00	
30/6/2024	rosemary kagendo	1st draft strategic plan	84,000.00	
30/6/2024	cynthia wacuka	1st draft strategic plan	84,000.00	
30/6/2024	maximilla ouma	1st draft strategic plan	67,200.00	
			2,470,400.00	2,470,400.00
30/6/2024	naboth otao		84,000.00	
30/6/2024	mark kereri	1st draft strategic plan	24,000.00	
30/6/2024	samwel kirui	1st draft strategic plan	37,800.00	
30/6/2024	gibson waweru	1st draft strategic plan	67,200.00	
30/6/2024	stephen choge	1st draft strategic plan	67,200.00	
30/6/2024	festus ondimu	1st draft strategic plan	37,800.00	
30/6/2024	joseph mburu	1st draft strategic plan	67,200.00	
30/6/2024	fredrick njuki	1st draft strategic plan	100,800.00	
30/6/2024	stephen okoth	1st draft strategic plan	100,800.00	
30/6/2024	robert osano	1st draft strategic plan	100,800.00	
30/6/2024	agnes mbugua	1st draft strategic plan	109,200.00	


30/6/2024	samwel kirui	1st draft strategic plan	100,800.00	
30/6/2024	partrick munga	1st draft strategic plan	100,800.00	
30/6/2024	silas muyela	1st draft strategic plan	100,800.00	
30/6/2024	samuel, alima	1st draft strategic plan	100,800.00	
30/6/2024	jennifer owino	1st draft strategic plan	100,800.00	
30/6/2024	eric onyango	1st draft strategic plan	84,000.00	
30/6/2024	kosgei kevin	1st draft strategic plan	67,200.00	
30/6/2024	rolex kirui	1st draft strategic plan	84,000.00	
30/6/2024	obeddy ngaira	1st draft strategic plan	67,200.00	
30/6/2024	ann kapkiai	1st draft strategic plan	84,000.00	
30/6/2024	fred kemboi	1st draft strategic plan	84,000.00	
30/6/2024	benson kimotho	1st draft strategic plan	192,000.00	
30/6/2024	jeniffer Ndibaru	1st draft strategic plan	100,800.00	
30/6/2024	Gloria moraa	1st draft strategic plan	67,200.00	
30/6/2024	samson kimani	1st draft strategic plan	84,000.00	
30/6/2024	brian letuati	1st draft strategic plan	151,200.00	
30/6/2024	RCGW	1st draft strategic plan	1,188,940.20	
			3,555,340.20	3,555,340.20
				156,929,340.20

Date 01/07/2025

Report of the Board of Survey on the Cash and Bank Balances of CBK - 1000630841
as at the close of business on 30/06/2025

The Board, consisting of - (Names and Official titles)

Ms. Grace Kimitei - Chairman 

Francis Bor - Member 

Rosemary Opondo - Member

assembled at the office of Horn of Africa Groundwater for Resilience Project Accounts office at 10:00 a.m. (time) on the 01/07/2025

as the following cash was produced: -

Notes	Sh. <u>NIL</u>
Silver	Sh. <u>NIL</u>
Copper	Sh. <u>NIL</u>
Cheques as per details on reverse	Sh. <u>NIL</u>
	<u>NIL</u>

It was observed that cheques amounting to Sh. NIL cts had been on hand for more than 14 days prior to the date of the survey.

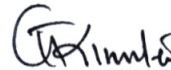
The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the 30th June, 2024

Cash on hand	Sh. <u>NIL</u>
Bank balance	Sh. <u>31,504,34.20</u>

The Bank Certificate of Balance showed a sum of Sh. **Seventy-Eight Thousand Five Hundred and Seventy-Four, Forty cents only** cts NIL (sh78,574.40) standing to the credit of the account on 30th June 2025

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.



Chairman


Members of the Board

Date **1st July 2025**

LIST OF CHEQUES INCLUDED AS PART OF CASH ON HAND

<i>Cheque No.</i>	<i>Drawer</i>	<i>Date of Cheque</i>	<i>Date Received</i>	<i>Amount</i>

Date 01/07/2025

Report of the Board of Survey on the Cash and Bank Balances of KCB - 1324542225
as at the close of business on 30/06/2025

The Board, consisting of - (Names and Official titles)

Ms. Grace Kimitei - Chairman 
Francis Bor - Member 
Rosemary Opondo - Member

assembled at the office of **Horn of Africa Groundwater for Resilience Project** Accounts office at **10:00 a.m.(time)** on the 01/07/2025

as the following cash was produced: -

Notes	Sh. <u>NIL</u>
Silver	Sh. <u>NIL</u>
Copper	Sh. <u>NIL</u>
Cheques as per details on reverse	Sh. <u>NIL</u>
	<u>NIL</u>

It was observed that cheques amounting to Sh. NIL cts had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the 30th June, 2025

Cash on hand	Sh. <u>NIL</u>
Bank balance	Sh. <u>7,215.70</u>

The Bank Certificate of Balance showed a sum of Sh. **Nine Thousand Seven Hundred and Sixty-Six, Fifty-Five Only** cts **NIL [sh 9,766.55]** Standing to the credit of the account on **30th June 2025**

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement **[F.O. 30]** attached.



Chairman

Date **1st July 2025**


Members of the Board

LIST OF CHEQUES INCLUDED AS PART OF CASH ON HAND

<i>Cheque No.</i>	<i>Drawer</i>	<i>Date of Cheque</i>	<i>Date Received</i>	<i>Amount</i>

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**HORN OF AFRICA-GROUNDWATER FOR RESILIENCE PROJECT (MWSI)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2025**

Credit No.: IDA LOAN CREDIT NO.70820-KE (DA-C)

Bank Account No.: 1000622978 Held with CENTRAL BANK OF KENYA

		NOTES	AMOUNT EURO	AMOUNT EURO
1	Amount advanced by IDA			1,305,477.95
	Less:			
2	Total amount documented			805,477.95
3	Outstanding amount to be documented			500,000.00
	Represented by:			
4	Ending Special account Balance as as 30 June 2025			438,609.91
5	Amounts claimed but not credited as at 30 June 2025			
6	Amounts withdrawn and not claimed			61,390.09
7	Service Charges (if not included in lines 5 and 6 above)			-
8	Interest earned (if included in Special Account)			-
9	Total advance to Special Account Year ended 30 June 2025			500,000.00

Discrepancy between total appearing on line 3 and 9

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

[Signature]
AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 05-08-2025