

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



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REPORT

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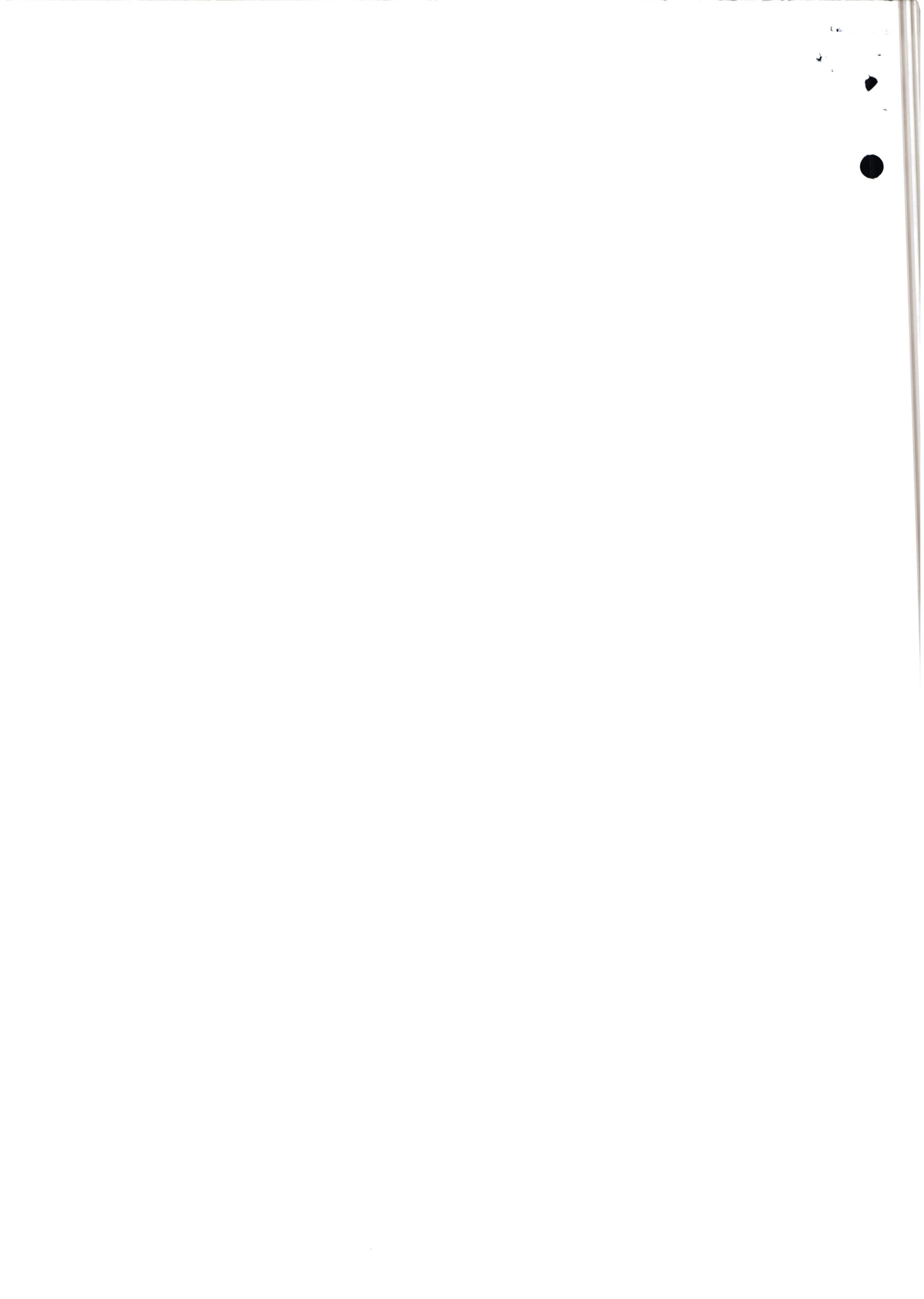
OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF REGIONAL
CENTRE ON GROUNDWATER RESOURCES
EDUCATION TRAINING AND RESEARCH IN
EASTERN AFRICA**

**FOR THE YEAR
ENDED 30 JUNE 2018**





United Nations
Educational, Scientific and
Cultural Organization



*Regional Centre on Groundwater
Resources Education, Training & Research*
OASIS OF GROUNDWATER KNOWLEDGE

**REGIONAL CENTRE ON GROUNDWATER RESOURCES EDUCATION TRAINING AND
RESEARCH IN EASTERN AFRICA**

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2018

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

Regional Centre On Groundwater Resources Education Training & Research In Africa
Reports and Financial Statements
For The Year Ended 30 June 2018

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KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The Regional Centre on Groundwater Resources Education Training and Research was formed through Legal Notice No. 252 of 18th December, 2015. This was the culmination of a Memorandum of Understanding signed between the Kenya Government and UNESCO to set up a Category 2 centre in the country to spearhead research and education on groundwater resources. This is a State Corporation under the Ministry of Water and Irrigation. At the policy level, the Centre is headed by the Chairperson of the Board of Directors who is responsible for policy and strategic direction of the Centre

b) Principal activities

The principal activities of the Centre are to carry out research, capacity building and civic education on groundwater resources.

c) Key management

The Centre's day to day management is under the following key organs

- The Board of Directors led by the Board Chairperson
- The Management Board led by the Ag.CEO

d) Fiduciary management

The key personnel who held office at the Centre and who had fiduciary responsibility in the year ending 30th June, 2018 were:-

No.	Designation	Name	Period served
- 1.	Ag. CEO	Wilson Lekomet	March 2016- February
- 2.	Hydrogeologist	John Nyakwaka	February 2018- Date

e) Fiduciary oversight arrangements

f) Entity headquarters

P. O. Box 41156
GOP 00100
Nairobi
KEWI Campus South C
Research Building
Ole Shapara Avenue

g) Entity contacts

Tel. (254)724952870
Email. groundwatercentre@water.go.ke
Website. www.rcgw.go.ke

h) Entity bankers

KCB Bank
Moi Avenue Branch

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i) Independent auditors

Auditor and Controller General
Kenya National Audit Office
Anniversary Towers University Way
P. O. Box 30084
GOP 00100
Nairobi




j) Principal legal adviser

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

THE BOARD OF DIRECTORS

1.		<p>Ambassador Dr. Mary M. Khimulu, MBS</p> <p>Board Chairperson Regional Centre on Groundwater Resources Education Training and Research in Eastern Africa</p> <p>Ph.D. in Human Behavior and Leadership Management Masters in Management and Organizational Development BSc. Business Administration Career Diplomat and also does voluntary and humanitarian work</p>
2.		<p>Eng. Shadrack Yego</p> <p>Independent Board Member Regional Centre on Groundwater Resources Education Training and Research in Eastern Africa</p> <p>M.Sc. Engineering(ongoing) BSc. Civil Engineering</p> <p>Registered professional engineer with Engineers Board of Kenya & Member of Institution of Engineers of Kenya. Twelve (12) years of experience in carrying out engineering feasibility studies, preliminary and detailed studies and designs, contracts administration and construction supervision of water supply and sanitation projects in East Africa. Has worked in Kenya, Tanzania, Burundi and Somalia.</p>

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3.		<p>Ms. IkalAng'elei</p> <p>Independent Board Member</p> <p>Regional Centre on Groundwater Resources Education Training and Research in Eastern Africa</p>
4.		<p>Dr. Salome M. Guchu</p> <p>Board Member Regional Centre on Groundwater Resources Education Training and Research in Eastern Africa (Representing PS-University Education & Research)</p> <p>Qualification: PhD Researcher</p>
5.		<p>Juma, ChrispineOmondi</p> <p>Regional Centre on Groundwater Resources Education Training and Research in Eastern Africa (Representing Principal Secretary Water and Irrigation)</p> <p>MSc. BSc. Professional Hydrogeologist/Groundwater expert Chief Principal Water Research Officer/Acting Director National Water Resources</p> <p>Experience: Coordinated several groundwater mapping programmes including borehole site investigations for refugee settlement in Dadaab, Wajir; Assessment of groundwater resources in Central Turkana by RTI/UNESCO; Groundwater assessment of Southern Turkana and Marsabit by United States Geological Survey (USGS); and Groundwater assessment of Wajir County</p>

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6.		<p>Mr. Moses Kanagi Board Member Regional Centre on Groundwater Resources Education Training and Research in Eastern Africa (Representing Principal Secretary Treasury)</p>
7.		<p>Dr. Leunita Asande Sumba Board Member Regional Centre on Groundwater Resources Education Training and Research in Eastern Africa (Representing Kenya Water Institute)</p> <p>Ph.D. Biology</p> <p>Specialized in IWRM</p> <p>Over 20 years' experience in water research and lecturing</p>

MANAGEMENT TEAM

2		<p>John G Nyakwaka Acting Chief Executive Officer Regional Centre on Groundwater Resources Education Training and Research in Eastern Africa MBA Strategic Management BSc. Geology Many years' experience in management of water projects</p> <p>Hydrogeologist</p>
		<p>Ann JelimoKapkiai Hydrogeologist</p> <p>MPHIL Degree in Environmental Science from School of Environmental Studies Moi University Eldoret BSC in Geology from the University of Nairobi Currently working at the Ministry of Water and Sanitation as a Geologist and supporting the Category 2 Centre. Experienced in the field of groundwater and Environmental science</p>
		<p>CPA Peter NjorogeKabebe Head of accounting unit Ministry of water and sanitation.</p>

CHAIRPERSON'S STATEMENT

Foreword

It gives me great pleasure to present the Regional Centre for Groundwater Resources Education Training and Research in Eastern Africa's Financial Report and Financial Statement for the year ending 30th June, 2018.

The Centre had a good performance for an organization that was less than two years old. We achieved a lot despite having a limited budget in form of grants from the ministry.

The Board and its organs

The following are the Board Members:

- | | |
|---------------------------------------|----------------------------|
| 1. Ambassador Dr. Mary M. Khimulu MBS | Board Chairperson |
| 2. Eng. Shadrack Yego | Independent Board Member |
| 3. Ms. IkalAng'elei | Independent Board Member |
| 4. Dr. Salome Guchu | Rep. Ministry of Education |
| 5. Dr. Leunita Sumba | Rep. Kenya Water Institute |
| 6. Mr. Moses Kanagi | Rep. Treasury |
| 7. Mr. Chrispine Omondi JUMA | Rep. Ministry of Water |
| 8. Dr. Jayakumar Ramaswamy | UNESCO representative |
| 9. Mr. John G. Nyakwaka | Ag. CEO ex officio member |

The committees were constituted as follows:

1. Education and Training Committee
 - Eng. Shadrack Yego-(chairperson)
 - Dr. Leunita Sumba-(chairperson)
 - Mr. Chrispine O. JUMA
Dr. Jayakumar Ramaswamy
2. Research Committee
 - Ms. IkalAng'elei-(chairperson)
 - Dr. Salome Guchu
 - Dr. Leunita Sumba
Dr. Jayakumar Ramaswamy
3. Finance and Administration Committee
 - Eng. Shadrack Yego-(chairman)
 - Mr. Chrispine O. JUMA
 - Dr. Salome Guchu

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- 4. Audit and Risk Committee
 - Ms. Ikal Angelei-(chairperson)
 - Dr. Leunita Sumba
 - Mr. Moses Kanagi

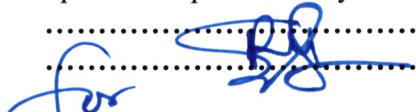
Corporate Performance

During the period under review the Centre was able to achieve the following;

- a) Participation in a UNESCO IHP annual conference which was held in Paris, France by the Ag. CEO and one independent Board member, Eng. Shadrack Yego. Such forums are key for the Centre since it needs to collaborate and network with other UNESCO Centres in the world to establish joint Programmes
- b) The Centre applied for and was categorized by SCAC as PC 4B. This is important because it places the Centre at par with other research institutions. The Centre will therefore be a competitive employer and will attract and retain quality researchers.
- c) The Centre maintained the bank account which it opened with authority from the National Treasury. This afforded the Centre a level of autonomy since it manages its own expenditure albeit with a bit of support from the ministry.
- d) The ministry transferred Ksh 10.9 million the Centre. The same was eventually released to the Centre in monthly tranches. With this support the Centre was able to support meetings of Board of Directors. The Board of Directors met regularly to discuss matters of the Centre.
- e) The Centre created a website, a Facebook page and an email address
- f) Participation in Mid Term Expenditure Framework Planning meetings organized by the Ministry of Finance to prepare for the third MTP. This was to ensure the Centre was captured in the Government Financial Planning Cycle for 2017/2018 financial year
- g) Relocation of the Centre to more spacious premises in South C. For the Centre to effectively operate it requires more spacious premises. The space initially allocated at the ministry headquarters was too small for any meaningful activity.
- h) One Hydrogeologist attended a two week training course at the Korea Institute of Geosciences and Mineral Resources on Groundwater Theory and Practice. This was a continuation of a training collaboration with this institute and it is expected that many more staff will get an opportunity to train in this institute.

Appreciation

I would like to extend my appreciation to the Cabinet Secretary and Principal Secretary for their guidance and support. I would also want to commend the Board of Directors, the Ag. CEO and the others deployed Ministerial staff for their dedicated service which enabled the Centre to operate in spite of many challenges.

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.....


Amb. Dr. Mary M. Khimulu
Chairperson, Board of Directors

Date..... 11/07/2019.....
Nairobi

REPORT OF THE CHIEF EXECUTIVE OFFICER

Background

The Centre was established through Legal Notice No. 252 of 18th December, 2015. This followed a memorandum of understanding between the Government of Kenya and UNESCO to establish a Category 2 Centre. In this agreement, the GoK caters for operational and administrative costs of the Centre while UNESCO provides technical support in the form of training opportunities, providing experts to support the Centre and linking the Centre to other Centres and research institutions.

The Board of Directors was fully established on 11th March, 2016 when the Chairperson was appointed. It was inaugurated by the Principal Secretary for Water on 26th March, 2016.

The Centre is mandated to spearhead education, training and research on groundwater in the region. In its first full year of operations, the Centre had no budget. It was funded through a reallocation by the parent ministry. This was a formative year in which the foundation was being laid for the recruitment of staff and activation of the various committees within the Centre. The Centre therefore operated without substantive staff.

Revenue

The Centre did not raise any revenue. It is not expected to raise any revenue in its first few years of existence. The revenue will finally come when the Centre becomes fully fledged and is able to carry out training and consultancies

Expenses

The Centre's expenses are illustrated in the financial part of this report. The main items of expenditure include Board expenses, staff salaries and purchase of office equipment and furniture.

Finances

The Centre was incorporated into the 2017/2018 budget. It received a reallocation of Ksh 10.9 Million from the parent ministry to continue its processes. The Centre was supported by the ministry in the management of the same through deployment of an accountant. The ministry also supported the Centre in the processing of payment vouchers and signing of Cheques. This was occasioned by the lack of staff at the Centre. The Centre will fully stand on its own once it employs enough staff to perform these tasks

Networking

The Centre relies on GoK for its administrative and operational expenses. Its mandate is however too wide to be funded wholly by GoK. To be able to fully carry out its mandate, the Centre must network. This the Centre does through participation in various international and local forums, MoUs and through writing proposals. One major breakthrough for the Centre has been the understanding developed with the Korea Institute of Geosciences and Mineral Resources to train one geologist every year on an advanced course on Groundwater Theory and Practice. Discussions are ongoing to enter into deeper collaboration. The Centre has also participated in international forums out of which conversations have begun towards entering into agreements.

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Human Resources

The Centre, as already stated does not have its own staff. It has begun the process of overcoming this challenge by preparing Human Resource Management instruments to be used for the hiring and remuneration of staff. These were prepared by Directorate of Public Service Management. The documents provide for the staff establishment, organization structure, career progression, human resources manual and staff remuneration. It is proposed that the full staff complement will be achieved over a period of 5 to 10 years depending on GoK funding. The Centre will however be fully operational after the first set of recruitments.

Performance Contracting

The Centre has already developed its Five year Strategic Plan. With this the Centre is now able to develop activities which can be used to develop a Performance Contract.

Challenges

The Centre faces two major challenges. These are:

- Lack of funds. The Centre received Ksh10.9million from the ministry. This amount is inadequate given that the Centre had submitted a budgetary request of Ksh 100 million. With this amount of money the Centre is unable to develop and carry out programmes. It has therefore been limited so far to Board activities and laying the foundation for staff recruitment. The Centre needs enough space and resources to develop its own training facilities such as computer rooms and rock and water quality laboratories. This is hampered by lack of funds.
- Lack of staff. The Centre has so far been run by an Ag.CEO and deployed staff from the ministry. The staff are too few to form a management board. The Centre has therefore had to rely on the ministry even for very basic operational needs.

The Centre has planned for recruitment of its own staff subject to the availability of a budget to support staff emoluments. This will enable the Centre to become fully operational and minimize some of the shortcomings noted in the management draft.

Conclusion

I wish to extend my gratitude to the Cabinet Secretary and Principal Secretary for their guidance and support, the Board of Directors led by the Chairperson for able leadership and very strong commitment to the task. My colleagues from the ministry have also worked very hard to support the Centre to achieve the much that it has so far.


.....

John G. Nyakwaka

Ag. Chief Executive Officer

Date...10/07/2018

Nairobi

CORPORATE GOVERNANCE STATEMENT

Establishment and composition of the Board

The Governing Board of the Centre as established through Legal Notice No. 252 of 18th December, 2015 is made up of three independent Board members and a Chairperson, appointed by name. The Board membership also comprises alternates of the Principal Secretaries for the Ministry of Water and Irrigation, Ministry of Education, Ministry of the Treasury and Planning, and the Kenya Water Institute. The Chief Executive Officer is an *ex officio* member of the Board.

In considering nominations to the Board, Professional qualifications, gender, experience and diversity is taken into account. The Board exercises prudent management, leadership, integrity, innovativeness and judgement in managing the Centre.

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

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

All the members of the Board are taken through a comprehensive induction programme and the SCAC Mwingozo training. They are further trained on their roles through various corporate governance trainings locally and internationally. The Board, the Committees and individual Directors are expected to be evaluated by an independent body against targets agreed to at the beginning of the year.

Board Committees:

The Board is assisted in its work by Board Committees attending to specific issues. The Committees report to and are accountable to the Board. The Board Committees main task is to deal more in detail with matters and cascade the same upwards to the Board for further deliberation and ruling.

The Board has four standing committees which should meet at least quarterly under terms of reference set by the Board. The functioning of these committees was affected by the small number of independent members to chair these committees.

The committees were constituted as follows:-

Education and Training Committee

The primary responsibility of this committee is to oversee the development of training programmers and guidelines. It reviews all training needs assessments done and advises the Board on how to source for resources and expertise to carry out the trainings and capacity building.

Research Committee

This committee is charged with responsibility of developing research guidelines, seeking partnerships and funding for research, and coordinating all research activities to ensure quality and prevent plagiarism. It advises the Board on how to leverage research and consultancy.

Finance and Administration Committee

This committee guides the Management in the preparation of annual budgets, work plans and procurement plans. It reviews the Centre's long term financial needs and ensures they are well captured

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in the various planning cycles for incorporation in future budgets. It also reviews expenditure on behalf of the Board to ensure optimal utilization of funds.

Audit and Risk Committee

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

Role of the Board of Directors

The role of the Board of Directors, as guided by the State Corporations Act is to provide overall policy direction and leadership by reviewing the Centre's long and short term plans and strategizing on how to mobilize resources. It provides effective leadership and control to ensure realization of the Centre's mandate and the country's long term development goals. It monitors the Centre's plans and strategies. It ensures prudent management of the Centre's resources, reviews the risk management strategies in place while ensuring adherence to laid down government regulations and policies.

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

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

Board evaluation

It is a statutory requirement to have the Board evaluated. The Board was not evaluated during the review period but shall be evaluated in the subsequent periods as this is vital if the Board is to improve its performance.

Directors' remunerations

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

Statement of Compliance

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

Internal control and risk management

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

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Organization structure

The Centre has an organization structure which clearly defines lines of authority and responsibility. The professionalism and competence of staff will be maintained through a rigorous program of training and performance appraisal. Training plans will be developed to ensure staff acquire and maintain relevant skills to ensure professional management of the Centre.

Strategic Plan

The Centre developed a five year strategic plan. The strategic plan will form the basis for the development of annual budgets and work plans while maintaining strategic focus to ensure realization of the Centre's long term goals.

Internal control framework

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

Risk Management

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

The Management team

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

CORPORATE SOCIAL RESPONSIBILITY

The Centre participated in tree planting during the world water day celebrations that was held in Kisii town. This was part of the corporate social responsibility and in future will involve in more community projects that aim in improving the livelihood of the citizens.

MANAGEMENT DISCUSSION AND ANALYSIS

The Regional Centre's mandate is to spearhead education, training and research on groundwater resources in the region. During the review period the Board guided the Centre in carrying out foundational activities geared towards operationalizing the Centre. Some of the key achievements include:-

- a) Participation in important international forums. The Ag. CEO and one Independent Board member attended the UNESCO IHP Annual conference in Paris, France. The Chairperson attended a Board Leadership training in South Africa. These forums are crucial for the Centre since it needs to collaborate and network with other UNESCO Centres in the world to establish joint programmes.
- b) Allocation of budgetary support by the ministry. The ministry allocated Ksh 16,400,000 to the Centre. The same was eventually released to the Centre in monthly tranches. With this support the Centre was able to finance basic activities. The Board of Directors has met regularly to discuss matters of the Centre. Other foundational activities were also undertaken as a result.
- c) The Centre created a website, a twitter handle and a Facebook page.
- d) Participation in Mid Term Expenditure Framework Planning meetings organized by the Ministry of Finance to prepare for the third MTP. This was to ensure the Centre was captured in the Government Financial Planning Cycle for 2018/2019 financial year
- e) Preparation of HRM documents by DPSM. This was guided by the terms of reference developed by the Centre in agreement with the DPSM team. With the right amount of funding, the Centre will now be able to recruit staff. The documents have now been submitted to SCAC for approval.
- f) Relocation of the Centre to more spacious premises in South C. For the Centre to effectively operate it requires more spacious premises. The space initially allocated at the ministry headquarters was too small for any meaningful activity.
- g) One Hydrogeologist attended a two week training course at the Korea Institute of Geosciences and Mineral Resources on Groundwater Theory and Practice. This was a continuation of a training collaboration with this institute and it is expected that many more staff will get an opportunity to train in this institute.

Major risks facing the Centre

- Operational risk- staff shortage, turnover, change of technology and lack of insurance for ICT
- Finance risk- limited resources and inadequate funding from government and partners

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REPORT OF THE BOARD OF DIRECTORS

The Directors submit their report together with the financial statements for the year ended 30th June, 2018 which shows the state of the Regional Centre on Groundwater Resources Education Training and Research in Eastern Africa.

Principal activities

The principal activity of the Board is to guide the Regional Centre in fulfilling its mandate of education, training and research on groundwater resources.

Results

The results of the Regional Centre are as set out in the financial reports within this document.

Directors

The Directors who served in Board during the review period are as indicated in the earlier part of this report.

Auditors

The Auditor General, Kenya National Audit Office, is responsible for the statutory audit for the Centre's Books of Accounts in accordance with the Public Audit Act 2015.

For and on behalf of the Directors



.....
JOHN G. NYAKWAKA.
DIRECTOR

Date.....10/01/19.....
Nairobi

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STATEMENT OF DIRECTORS' RESPONSIBILITY

Section 68 of the Public Finance Management Act 2012 and Section 15 of the State Corporations Act require the Directors to prepare financial statements in respect of the Centre, which give a true and fair view of the affairs at the Centre at the end of the year/period and the operating results of the Centre for that year/period. The Directors are also required to ensure that the Centre keeps proper accounting records which disclose with reasonable accuracy the financial position of the Centre. They are also responsible for safeguarding the assets of the Centre.

This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation of a fair presentation of financial statements, ensuring that they are free from misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Centre; (v) selecting and applying appropriate financial policies; and (vi) making accounting estimates which are reasonable in the circumstances.

The Directors accept responsibility for the Centre's financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the Centre's financial statements give a true and fair representation of the Centre's transactions during the period ended 30th June, 2018.

The Directors further confirm the completeness of the accounting records held by the Centre, which have been relied upon in the preparation of the Centre's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Centre will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Regional Centre on ground water resource education training and research in Eastern Africa financial statements were approved by the Board on 27/09. 2018 and signed on its behalf by:


Board Chairperson


Director

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON REGIONAL CENTRE ON GROUNDWATER RESOURCES EDUCATION TRAINING AND RESEARCH IN EASTERN AFRICA FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Regional Centre on Groundwater Resources Education Training and Research in Eastern Africa set out on pages 1 to 18, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of changes in 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 Regional Centre on Groundwater Resources Education Training and Research in Eastern Africa as at 30 June 2018, and of its financial performance and cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the State Corporation Act, Cap 446 of the Laws of Kenya.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Regional Centre on Groundwater Resources Education Training and Research in Eastern Africa, in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit 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.

Key Audit Matters

Key audit matters are those matters which, in my professional judgment, were of most significance in the audit of the financial statements. There were no Key Audit Matters to report in the period under review.

Report of the Auditor-General on the Financial Statements of Regional Centre on Groundwater Resources Education Training and Research in Eastern Africa for the year ended 30 June 2018

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, I confirm that, nothing 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

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 on whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities which 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, I confirm that, except for the matters described in the basis for Conclusion on Effectiveness of Internal Controls section of my report, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance, were not effective.

Basis for Conclusion

1. Spending without Approved Categorized Budget

According to the 2017/2018 budget estimates for the Parent Ministry, the Centre was allocated a one-line budget. However, although management allocated the budget to specific expenditure categories, there was no evidence that approval was sought and obtained from the Board for this allocation. Consequently, it has not been possible to confirm that the Centre's budgetary control system is effective.

2. Under Staffing

Review of the Centre's staff records revealed that the Centre did not have any substantive employee in the year under review. According to the records, the Centre was run by one employee seconded as acting Chief Executive Office, an accountant deployed from the Ministry of Water and Sanitation and three staff members on internship. In the absence of adequate staffing level, the Centre might find it difficult to fulfil its mandate in the long run.

The audit was conducted in accordance to ISSAI 1315 and 1330. The standards require that I plan and perform the audit to obtain assurance on whether effective processes and systems of internal control, risk management and governance, were operating effectively, in all material respects. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the management is aware of any intension to cease operations of the Centre, or have no realistic alternative but to do so.

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

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 Centre's financial reporting process, reviewing the effectiveness of management's systems for monitoring 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 which 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 review is planned and performed to express a conclusion on whether, in all material respects, 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, 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 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 which 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 which 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 Centre's policies and procedures may deteriorate.

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

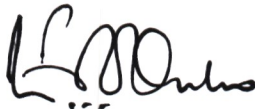
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence which is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions which may cast significant doubt on the Centre's ability to continue as a going concern. 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 Centre to cease to continue as a going concern.

- 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 which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Centre 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 which are identified during the audit.

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



FCPA Edward R. O. Ouko, CBS

AUDITOR-GENERAL

Nairobi

12 March 2019



**STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 30TH JUNE 2018**

			Restated	
		2017-2018	2016-2017	2016-2017
Revenue from non-exchange transactions	Note	Kshs	Kshs	Kshs
Transfers from Government entities	3	10,933,332	16,400,000	16,400,000
Total revenue		10,933,332	16,400,000	16,400,000
Compensation of Employees	4.0	1,674,402	2,066,269	1,334,389
Use of goods and services	4.1	0	0	7,732,579
General expenses	5.0	5,828,401	3,723,882	0
Acquisition of non-financial assets	5.1	0	0	2,595,900
Board expenses	6	4,697,514	2,676,817	0
Depreciation	7	565,859	158,676	0
Total expenses		12,766,176	8,625,644	11,062,868
Surplus before tax		(1,832,844)	7,774,356	5,337,132
Taxation		-	-	-
Operating deficit/Surplus		(1,832,844)	7,774,356	5,337,132


The notes set out on pages 6 to 13 form an integral part of the Financial Statement. Restatement for comparative figures was done as explained in Note 10 of the financial statement.

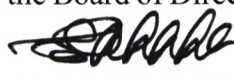
STATEMENT OF FINANCIAL POSITION

AS AT 30TH JUNE 2018

			Restated	
Assets	Notes	2017-2018	2016-2017	2016-2017
Current assets		Kshs	Kshs	Kshs
Cash and cash equivalents	8.0	3,995,022	5,233,132	5,233,132
Receivables from non-exchange transaction	8.1	0	104,000	104,000
Receivables from exchange transaction	8.2	75,125	0	0
Total Current Assets		4,070,147	5,337,132	5,337,132
Non-current assets				
Property, plant and equipment	9	1,871,365	2,437,224	0
Total assets		5,941,512	7,774,356	5,337,132
Liabilities				
Current Liabilities		0	0	0
Non-Current Liabilities		0	0	0
Total Liabilities		0	0	0
Net Assets		5,941,512	7,774,356	5,337,132
Accumulated Surplus		5,941,512	7,774,356	0 7,774,356
Total net assets and liabilities		5,941,512	7,774,356	5,337,132

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

for 
 Chairperson of the Board
 Date.....11/01/2019


 Ag C.E.O (RCGWRET&REA)
 Date.....10/01/19

**STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED 30TH JUNE 2018**

	Accumulated surplus	Total
	Kshs	Kshs
Balance as at 30th JUNE 2016	0	0
Surplus/(deficit) for the period	0	0
Transfers to/from accumulated surplus	7,774,356	7,774,356
Balance 30th JUNE 2017	7,774,356	7,774,356
Balance as at 1ST JULY 2017	7,774,356	7,774,356
Surplus for the period	(1,832,844)	(1,832,844)
Balance as at 30th JUNE 2018	5,941,512	5,941,512

STATEMENT OF CASHFLOWS

AS AT 30TH JUNE 2018

			Restated	
	Note	2017-2018	2016-2017	2016-2017
		Kshs	Kshs	Kshs
Cash flows from operating activities				
Receipts for operating income				
Transfer from other Government entities	3	10,933,332	16,400,000	16,400,000
		10,933,332	16,400,000	16,400,000
Payments				
Compensation of employees	4	1,674,402	2,066,269	2,066,269
General Expenses	5	5,828,401	3,723,882	0
Board	6	4,697,514	2,676,817	0
Use of goods and services	4.1	0	0	7,132,579
		12,200,317	8,466,968	8,466,968
Net cash flows from operating activities		(1,266,984)	7,933,032	7,933,032
Cash flows from investing activities				
Acquisition of assets	5.1	0	(2,595,900)	(2,595,900)
Increase/decrease in debtors	8.1	104,000	(104,000)	0
Increase/decrease in payables	8.2	(75,125)	0	0
Net cash flows used in investing activities		(1,238,109)	5,233,132	5,337,132
Cash flows from financing activities		0	0	0
Cash and Cash Equivalent at beginning Of Period		5,233,132	0	0
Cash and Cash Equivalent at end Of The Period		3,995,022	5,233,132	5,337,132

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
 FOR THE YEAR ENDED 30TH JUNE 2018**

		Original budget	Adjustments	Final budget	Actual on Comparable	Performance difference	
	Notes	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018	
Revenue		Kshs	Kshs	Kshs	Kshs	Kshs	
Transfer from other Government	3	16,400,000	-	16,400,000	10,933,332	5,466,668	Under Receipt of Ksh. 5,466,668.00 from the Ministry.
Total income		16,400,000	-	16,400,000	10,933,332	5,466,668	
Expenses							
Compensation of employees	4	4,000,000	-	4,000,000	1,674,402	2,325,598	Due to delayed approval to recruit.
General Expenses	5	6,100,000	-	6,100,000	5,828,401	271,599	
Board Expenses	6	6,300,000	-	6,300,000	4,697,514	1,602,486	Un-executed planned Board activities.
Depreciation	7				565,859	(565,859)	
Total expenditure		16,400,000		16,400,000	12,766,176	3,633,824	
Surplus for the period		0		0	(1,832,844)	1,832,844	

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation – IPSAS 1

The Regional Centre on Groundwater Resource Education Training and Research in Eastern Africa's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity and all values are rounded to the nearest thousand (Ksh000).

The financial statements have been prepared on the basis of historical cost. The cash flow statement is prepared using the direct method.

Summary of significant accounting policies

- a) **Transfers from other government entities**
- b) 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.
- c) **Property, plant and equipment – IPSAS 17**

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

Depreciation is calculated on a straight- line basis at annual rates estimated to write off carrying value of the assets on their expected useful period lives at the rates below.

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Building	2.00%
Plant and equipment	12.50%
Furniture	12.50%
Motor Vehicle	25.00%
Computers	33.33%
Software	33.33%

2. Changes in accounting policies and estimates – IPSAS 3

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

3. Transfer from Government entities			
		Restated	
Description	2017-2018	2016-2017	2016-2017
Grants from Department of water.	Kshs	Kshs	Kshs
		16,400,000	16,400,000
9/8/2017	1,366,666		
7/12/2017	1,366,666		
2/2/2018	5,466,666		
4/5/2018	1,366,667		
6/6/2018	1,366,667		
Total	10,933,332	16,400,000	16,400,000

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4.0 Compensation of Employees			
		Restated	
	2017-2018	2016-2017	2016-2017
	KShs	Kshs	Kshs
Top up salary to chief executive officer	1,674,402	1,906,269	0
Other personnel Payments	0	0	1,334,389
Top up allowance to staff deployed to the Centre.	0	160,000	0
Total	1,674,402	2,066,269	1,334,389

4.1 Use of goods and services			
		Restated	
	2017-2018	2016-2017	2016-2017
	KShs	Kshs	Kshs
Foreign travel and subsistence	-	-	694,765
Training expenses	-	-	2,682,800
Hospitality supplies and services	-	-	3,179,981
Office and general supplies and services	-	-	369,022
Other operating expenses	-	-	206,011
Total	-	-	7,132,579

Regional Centre On Groundwater Resources Education Training & Research in Africa
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For The Year Ended 30 June 2018

5.0 General Expenses			
		Restated	
	2017-2018	2016-2017	2016-2017
	KShs	Kshs	Kshs
Office expenses	1,396,270	565,362	-
Hospitality Expenses	193,400	120,872	-
Local travel/ Subsistence	833,440	2,461,200	
Foreign travel expenses	864,638	456,448	-
Staff training Expenses	-	120,000	-
Rent	770,000	-	-
Consultancy	1,500,000	-	-
Repair of motor vehicle	27,800	-	-
Conference facilities	237,000	-	-
Bank charges	5,853	-	-
TOTAL	5,828,401	3,723,882	-

5.1 Acquisition of non-financial assets			
		Restated	
	2017-2018	2016-2017	2016-2017
	KShs	Kshs	Kshs
Purchase of office furniture and general equipment	-	-	2,595,900

Regional Centre On Groundwater Resources Education Training & Research in Africa
Reports and Financial Statements
For The Year Ended 30 June 2018

TOTAL	-	-	2,595,900
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6. Board Expenses	Restated		
	2018 KShs.	2017 Kshs	2017 Kshs
Board chairperson Honoraria	960,000	960,000	-
Board members Sitting allowance	965,073	1,318,400	-
Hospitality	60,000	50,700	-
Foreign travel and subsistence	2,679,641	-	-
Retreat allowance/conference	32,800		-
Others		347,717	-
Total board members remuneration	4,697,514	2,676,817	-

7. Depreciation			
		Restated	
	2017-2018	2016-2017	2016-2017
	KShs	KShs	KShs
Computers	386,196	128,732	-
Furniture and equipment	179,663	29,944	-

Regional Centre On Groundwater Resources Education Training & Research in Africa
 Reports and Financial Statements
 For The Year Ended 30 June 2018

TOTAL	565,859	158,676	-
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8.0 Cash and cash equivalent

	2018	Restated 2017	2017
	Kshs	KShs	KShs
Bank account	3,994,123	5,182,307	5,182,307
Outstanding imprest	-	-	104,000
Cash at hand	899	50,825	50,825
TOTAL	3,995,022	5,233,132	5,337,132

8.1 Receivables from non-exchange transaction

	2018	Restated 2017	2017
	Kshs	KShs	KShs
Accounts receivables- outstanding imprest	-	104,000	104,000
TOTAL	-	104,000	104,000

8.2 Receivables from exchange transaction

	2018	Restated 2017	2017
	Kshs	Kshs	KShs
Pre- paid fuel(Fuel card)	75,125	-	-
TOTAL	75,125	-	-

9. Property plant and equipment schedule

	Computer	Furniture & Equipment	Total
Rates	33.33%	12.50%	
COST	Kshs	Kshs	Kshs
As at 1.7. 2016	-	-	-
Additions	1,158,600	1,437,300	2,595,900
Disposals	-	-	-
Revaluation	-	-	-
As at 30.6. 2017	1,158,600	1,437,300	2,595,900
Additions	-	-	-
30th June 2018	1,158,600	1,437,300	2,595,900
DEPRECIATION			
As at 1.7.2016	-	-	-
Charge for the year	128,732	29,944	158,676
As at 30.6.2017	128,732	29,944	158,676
Charge for the year	386,196	179,663	565,859
As at 30.6.2018	514,928	209,607	724,535
NET BOOK VALUES			
As at 30.6.2018	643,672	1,227,693	1,871,365
As at 30.6. 2017	1,029,868	1,407,356	2,437,224

10. RESTATEMENT

The 2016/2017 financial reports and statements were restated since they were prepared in Accordance with the Cash Basis of Accounting method instead of accrual basis of accounting Under the International Public Sector Accounting Standards (IPSAS).

The figures in the financial statements are rounded off to the nearest Shillings.

APPENDIX 1: PROGRESS ON FOLLOWUP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.2	Reconciliation items for some months lacked vital details like Cheque numbers making it difficult to identify transactions in the cash book and bank statements. Further, reconciling items if not yet cleared should have their details included in the subsequent reconciliation statements until they are cleared for ease tracking.	The Centre had problems of preparing bank reconciliation statements because of lack of qualified staff but now the State Department of water services has since assigned an accountant responsible for managing accounts of the Centre to ensure timely and proper preparation reconciliation statements	Centre Accountant	Resolved	Done
4.3	It was observed that the entity's internal and IT controls are weak and others are not in place.	The operation of the Centre are still being managed by staff from The State Department of water services	Ag. Chief Executive officer	Resolved	Done

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Hence there was probability of the entity not achieving its objectives.	as it is yet to employ staff .The conduct of Centre staff is therefore guided by the rules and regulations of the public service commission . No IT strategic committee in place and arrangements shall be made once the Centre is fully operational.			
4.4	The Centre purchased assets amounting to Kshs. 2,595,900.00. However ,these assets were not capitalized but were wrongly expensed instead of being capitalized	The Centre confirmed purchase of Noncurrent assets amounting to Kshs. 2,595,900. The amount was erroneously posted in accordance with Cash basis of accounting .The amount have since been capitalized in accordance with Public Sector Accounting Standards (IPSAS) accrual basis.	Centre Accountant	Resolved	Done

Regional Centre On Groundwater Resources Education Training & Research in Africa
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.5	<p>The following documents were not availed for review:</p> <ol style="list-style-type: none"> 1. Strategic plan 2. Operational plan 3. Minutes of management meeting <p>The acting CEO explained that the strategic plan is at the draft stage of formulation and that there is no operational plan. Due to this they were not able to review the Operational environment of the Centre</p>	<p>The preparation of strategic and operational plans which are vital in management of Centre. The preparation was underway and the Centre and the strategic and operational plan is now in place.</p>	Ag. Chief Executive officer	Resolved	Done
4.7	<p>The expenditure on Board expenses had been erroneously posted to the use of goods and services account instead of Board expenses Account.</p>	<p>The Board expenses amount have now been shown separately from the use of goods and services</p>	Centre Accountant	Resolved	Done

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
The Centre had no projects funded by development partners in FY 17/18	N/A	N/A	N/A	N/A	NO	NO

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	N/A						
2	N/A						
3	N/A						

APPENDIX III: INTER-ENTITY TRANSFERS

	ENTITY NAME:	MINISTRY OF WATER AND IRRIGATION		
	Break down of Transfers from the State Department of Water services			
	FY 17/18			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	FY 17/18
		9/8/2017	1,366,666	
		7/12/2017	1,366,666	
		2/2/2018	5,466,666	
		4/5/2018	1,366,667	
		6/6/2018	1,366,667	
		Total	10,933,332	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	FY 17/18
			-	
		Total	-	

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

Accountant

Head of Accounting Unit

Regional Centre on ground water resources
 Education, Research and training in Africa

Ministry of water and sanitation

Sign  -----

Sign-  -----

Regional Centre On Groundwater Resources Education Training & Research in Africa
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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Water and Irrigation	9/8/2017	Recurrent	1,366,666	1,366,666	-	-	-	-	1,366,666
Ministry of Water and Irrigation	7/12/2017	Recurrent	1,366,666	1,366,666	-	-	-	-	1,366,666
Ministry of Water and Irrigation	2/2/2018	Recurrent	5,466,666	5,466,666	-	-	-	-	5,466,666
Ministry of Water and Irrigation	4/5/2018	Recurrent	1,366,667	1,366,667	-	-	-	-	1,366,667
Ministry of Water and Irrigation	6/6/2018	Recurrent	1,366,667	1,366,667	-	-	-	-	1,366,667
Total			10,933,332	10,933,332	-	-	-	-	10,933,332